A5650-1

INSURANCE FACTS

1982–83 Edition

- Property
- Liability
- Marine
- Surety

INSURANCE
INFORMATION
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New York, New York 10038
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This yearbook is intended to provide some basic facts relating to the property and casualty insurance business for editors, writers, speakers, teachers, students, insurance people and others.

Insurance Facts is published annually by the Insurance Information Institute, an educational, fact-finding and communications organization for the property and casualty insurance business. The Institute is supported by more than 225 insurance companies, both stock and mutual, and also provides public relations services to other organizations in the field of property, liability, fidelity, surety and marine insurance.

The cooperation of other insurance organizations, government agencies and commercial publishers of insurance data has helped to make this yearbook possible. We are particularly grateful to A.M. Best Company, Inc., for making available some of its compilations of insurance statistics; the National Fire Protection Association for permitting us to publish certain of its copyrighted data concerning fire losses; the National Safety Council for its cooperation in providing certain accident-related data, and the Insurance Institute for Highway Safety and the Highway Loss Data Institute for their assistance in preparing automobile data.

Arya Safa Nunn
Editor

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AN OVERVIEW OF INSURANCE

The business of insurance in the United States is divided into three broad categories: life insurance, health insurance and property and casualty insurance. Altogether it provides nearly 1.9 million jobs and has responsibility for assets which at the end of 1981 totaled approximately $733 billion. But its greatest significance in the American economy is as an absorber of personal and business risks.

The property and casualty segment of the insurance business is responsible for assets which at year-end totaled about $212.3 billion. It provides hundreds of forms of financial protection against virtually every known peril.

Data from U.S. government sources indicate that property and casualty insurance companies employed some 475,900 persons, on the average, in 1981. Those and other sources estimate that another 665,600 persons are engaged in agency or brokerage operations and insurance service organizations, but do not distinguish between personnel employed in the life insurance or health insurance business and those with responsibilities in the property and casualty field.

There are nearly 5,000 insurance companies domiciled in the United States. Some of these companies sell all lines of insurance; many specialize in one or more fields. Some 2,994 companies sell some form of property and casualty insurance, and related lines, including inland marine coverages and surety and fidelity bonds. A vast majority of the property/casualty business is written by about 900 companies that operate in all or most states.

The property and casualty insurance business plays a major role in keeping the American economy moving. Insurance coverages backstop the extensive commercial and consumer credit system of our nation. Further, surety bonds are required on almost all public works and commercial construction, to protect against loss in the event the contractor fails to fulfill his or her obligations.

In large part because of insurance coverage, Americans—business owners and employees, home owners and car owners—have more financial protection and a greater sense of security than any people anywhere have ever enjoyed in the history of the world.

PROPERTY/CASUALTY INSURANCE IN 1981-1982: A REVIEW

The property/casualty insurance business suffered a record underwriting loss of more than $6.29 billion in 1981, exceeding the previous record loss of more than $4.2 billion in 1975. Aided by investment income, the industry recorded after-tax earnings of $6.9 billion in 1981. The underwriting loss represented 6.45 percent of earned premiums of $97.47 billion. This means that for every $100 the industry earned in premiums during 1981, it incurred $106.45 in losses and expenses. In 1980, a net underwriting loss of $3.33 billion represented 3.56 percent of earned premiums.

Written premiums of $99.28 billion in 1981 represented an increase of 3.9 percent over 1980, a level well below the overall 1981 inflation rate. The result is seen to be indicative of a downward pressure on premium levels due to intensive competition in the insurance marketplace.

Investment income permits insurers to continue their insurance operations despite the underwriting deficit, but the gap between investment income and underwriting losses is narrowing. Investment income reached a record high of $13.25 billion in 1981—more than twice the underwriting loss—but investment income in 1980 was more than three times the underwriting loss.

Industry pre-tax earnings for 1981 included net investment income of $13.25 billion, statutory underwriting losses of $4.46 billion and $1.82 billion returned to policyholders as dividends. After-tax earnings of $6.9 billion were 3.2 percent lower than the 1980 earnings of $7.14 billion.

Policyholders' surplus, a gauge of the industry's financial strength, rose 3.1 percent in 1981 to more than $53.8 billion.

Impact of Inflation

Inflation continued to be a problem in 1981, especially for the insurance industry. Costs of services and materials for which auto insurance pays—such as auto repairs and medical care—increased at a greater rate than the consumer price index for all items, while auto insurance premiums remained 5 percent below the consumer price index.

The U.S. Department of Labor's Consumer Price Index recorded a 10.4 percent increase in the overall cost of living, but auto insurance premiums rose only 4.7 percent. Property insurance premiums, which take into account rising home values as well as changes in personal property insurance rates, went up 9.9 percent.

CPI increases in costs of goods and services related to auto insurance claims included: auto maintenance and repair, 9.4 percent; medical care, 10.8 percent; physicians' services, 11 percent; and hospital rooms, 14.9 percent.

CPI increases in costs for which property insurance pays included: housing maintenance and repairs, 10.1 percent; paint, wallpaper, supplies, tools and equipment, 10.4 percent; lumber, awnings, glass and masonry, 4.0 percent; plumbing, electrical, heating and cooling supplies, 8.1 percent. Residential construction costs rose 8.1 percent.

Major Sources of Losses

Every year, crime, accidents, fires and catastrophes are major sources of losses for the property/casualty insurance business. In 1981:

- Economic losses from motor vehicle accidents amounted to an estimated $58.7 billion.
- Dollar losses from robbery, burglary, larceny and motor vehicle theft were estimated at $9.7 billion.
- Property losses from fires totaled some $5.6 billion.
- Insured losses from 33 catastrophes—major storms and other incidents causing losses in excess of $1 million—totaled more than $714 million. Although 1981 marked the first time in three years that catastrophe losses dipped under $1 billion, catastrophe losses during the first six months of 1982 leaped to $1.15 billion—a record high for any first-half period.

Congressional Actions

More than 12,000 bills were introduced in the 97th Congress, but by July 1982 only 226 were passed, and only three of those bills directly affected the property/casualty insurance industry. The Risk Retention Act, black lung amendments and crop insurance funding were all passed in 1981 during the first session of the 97th Congress.

The second session of the 97th Congress (1982) was preoccupied with the economy and the elections. However, in the usual biannual flurry of last-minute activity Congress passed four additional insurance-related bills—all in the week before adjournment in October.

In response to formidable grass-roots pressure, Congress enacted legislation designed to lessen the number of fatalities and injuries caused by drunk drivers. The law provides for incentive grants to states that pass stricter drunk driving statutes and upgrade enforcement mechanisms.

Legislation classifying arson as a Part I Crime for FBI reporting purposes and expanding federal jurisdiction passed the House and Senate only days before Congress adjourned to campaign for elections.

Two pieces of banking legislation with insurance provisions also passed. The Depository Institutions Amendments Act restricts large bank holding companies from offering most types of property/casualty insurance except in clearly defined circumstances, and the Export Trading Company Bill defines insurance as a service which can be offered by an export trading company only on point-to-point transportation of the product being exported.

Reacting to economic and social pressures, Congress debated many proposals which probably will return during the next Congress (98th) and would, if passed, have great impact on the property/casualty industry. Issues such as Longshoremen's and Harbor Workers' Compensation Act reform, occupational diseases and product liability tort reform seem destined to be settled in future Congresses.

Arson

The property/casualty insurance industry continues to provide leadership in the nation's fight against arson.

An important new tool for arson investigators was established by the insurance industry in 1980. The Property Insurance Loss Register (PILR) administered by the American Insurance Association, is the first national computerized registry of property loss claims. More than 500,000 fire loss histories have been entered into the system, with the information available to insurers investigating claims.

To combat the spreading arson problem, the insurance industry is working throughout the country with task forces made up of investigators, police and fire officials, judges, prosecutors and other concerned citizens. Among the goals of an all-industry Insurance Committee for Arson Control is passage of state laws tightening penalties for arson and laws permitting insurers and law enforcement agencies to exchange information freely in the course of arson investigations without fear of legal reprisal. As of mid-1982, 48 states had enacted some form of arson reporting/immunity legislation.

The Fight Against Drunk Driving

The problem of drunk drivers, who cause more than 25,000 deaths every year, received more attention in 1982 than any highway safety issue in history. It was brought to public attention by "citizens' lobbies" such as Mothers Against Drunk Drivers (MADD) and Remove Intoxicated Drivers (RID), formed primarily by relatives and friends of drunk driver accident victims. The print and broadcast media devoted major stories and documentaries to the subject and a number of industry groups also joined the crusade. In the fall of 1982, the Insurance Information Institute and the American Insurance Association sponsored the International Symposium on Alcohol and Driving, which brought together top public and private-sector leaders to discuss the best strategies in battling drunk driving.

The flurry of activities extended to national and state levels of government. President Reagan established the Presidential Commission on Drunk Driving in April 1982, naming former Transportation Secretary John Volpe as chairman. In the fall of 1982, Congress enacted legislation providing for incentive grants to states that pass stricter drunk driving statutes and improve their enforcement. By the time the legislation was passed, 23 states had already enacted stiffer drunk driving laws.

Liability

A majority of Americans think that lawsuits are on the increase, and that monetary awards to plaintiffs are usually too high, according to a 1982 survey produced by the Insurance Information Institute. The survey, conducted by The Gallup Organization, reports the attitudes of the public and business executives toward the liability and litigation system. Public opinion was divided as to whether it is necessary to go to court to receive a settlement. A majority of the public (67 percent) and business executives (89 percent) believe there are considerable delays in bringing lawsuits to trial.

The majority of respondents also think the plaintiff has a better chance of winning a civil suit if the case is tried before a jury. However, 57 percent of all respondents said the judge, not the jury, should determine the size of the award if the plaintiff wins. A majority of the respondents oppose the payment of punitive damages, and 30 percent of those who favor the awards think the payments should go to the state or a recognized charity.

Perhaps no issue will have as much of an impact on the tort litigation system as that of "toxic torts"—compensating those who are suffering slowly emerging injuries caused by exposure to hazardous substances such as asbestos. The burden of asbestos lawsuits prompted UNR Industries of Chicago and the Manville Corporation—the nation's largest asbestos manufacturer—to file for protection under federal bankruptcy laws in the summer of 1982. Some 16,000 lawsuits were reported pending against Manville, amounting to between $2 billion and $5 billion in potential liabilities. Several hundred firms were facing similar claims, and according to the Asbestos Compensation Coalition, from 400 to 500 new lawsuits are filed each month against asbestos manufacturers.

As providers of liability coverages, the insurance industry is in the position of paying judgments rendered through the civil justice system. A critical question which has emerged from the asbestos crisis is who is responsible for compensating victims of diseases which become apparent after a long period of time. Millions of dollars already have been paid by insurers through the workers' compensation system and settlements of product liability lawsuits. No one knows what the ultimate cost to insurers will be from the settlement of asbestos claims, but estimates range from $4 billion to as much as $170 billion.

Workers' Compensation

Laws permitting insurers to establish and put into effect workers' compensation insurance rates without prior regulatory approval were enacted for the first time in Arkansas, Oregon and Minnesota in 1981. In 1982, Kentucky, Michigan, Rhode Island, Illinois and Georgia also enacted open-rating laws for workers' compensation insurance.

PROPERTY/CASUALTY INSURANCE COMPANIES BY STATE

The property and casualty insurance business in the United States comprised 2,994 individual companies early in 1982, according to information provided by the insurance departments of the various states. Of those companies, about 900 operate in all or most states and among them write a vast majority of the business. The other, smaller companies perform vital insurance services limited to people in sharply defined geographical areas or to members of specialized groups, such as farmers.

Home offices of the companies are scattered among the 50 states and the District of Columbia. Twenty-eight states house 30 or more companies each.

The greatest number of companies have their home offices in Illinois — 292. There are 225 insurance companies headquartered in Texas, 212 in New York, 202 in Wisconsin and 200 in Pennsylvania.

The number of property and casualty insurance company home offices in each state is listed below.

Property/Casualty Insurance Companies By State, 1982

State	Home Offices	State	Home Offices
Alabama	23	Missouri	86
Alaska	9	Montana	5
Arizona	21	Nebraska	36
Arkansas	25	Nevada	8
California	123	New Hampshire	33
Colorado	48	New Jersey	42
Connecticut	36	New Mexico	9
Delaware	102	New York	212
District of Columbia	12	North Carolina	25
Florida	49	North Dakota	40
Georgia	36	Ohio	151
Hawaii	12	Oklahoma	61
Idaho	5	Oregon	13
Illinois	292	Pennsylvania	200
Indiana	111	Rhode Island	19
Iowa	50	South Carolina	23
Kansas	34	South Dakota	56
Kentucky	34	Tennessee	59
Louisiana	23	Texas	225
Maine	25	Utah	9
Maryland	29	Vermont	14
Massachusetts	47	Virginia	40
Michigan	50	Washington	24
Minnesota	180	West Virginia	18
Mississippi	5	Wisconsin	202
		Wyoming	3

Source: State Insurance Departments.

EMPLOYMENT IN INSURANCE

Employment in all segments of the insurance business in the United States increased only 1.2 percent in 1981. The number of persons employed by companies in the property/casualty sector decreased one-fourth of 1 percent.

Data compiled by the U.S. Department of Labor show that industrywide employment rose from 1,876,400 in 1980 to 1,898,400 in 1981. The data include a decrease from 477,100 to 475,900 in property/casualty company personnel, and an increase from 452,300 to 465,600 in the number of agents, brokers and service personnel in all segments of the insurance business. However, according to the American Council of Life Insurance, the government data do not include a significant number of independent agents and agency staff employees—an estimated 195,000 in 1979 and 200,000 in 1980 and 1981.

Since 1971, employment among property/casualty companies has risen by 28 percent.

Separate data compiled by the Equal Employment Opportunity Commission show that:

- members of minority groups constituted 17.2 percent of insurance personnel in 1980, up from 10.7 percent in 1970 and 13.5 percent in 1975.
- women constituted about 61.6 percent of the insurance industry workforce in 1980, as compared with 55 percent in 1970 and 57.3 percent in 1975.
- the percentage of women employees classified as insurance officials or managers more than doubled from 1970 (10.8 percent) to 1980 (24.6 percent).
- women comprised 40.3 percent of all professional employees in insurance in 1980 (up from 16.9 percent in 1970 and 27.2 percent in 1975) and 67.4 percent of insurance technicians (up from 38.4 percent in 1970 and 52.8 percent in 1975).

Employment in Insurance 1971-1981
(Annual Averages)

	Property/Casualty Companies	Other Companies	Agents, Brokers & Service Personnel*	All-Industry*
1971	371,800	675,100	292,800	1,339,700
1976	399,400	701,900	350,900	1,452,200
1977	425,300	715,600	372,200	1,513,100
1978	446,900	726,700	592,600	1,766,200
1979	467,600	732,200	625,100	1,824,900
1980	477,100	747,000	652,300	1,876,400
1981	475,900	756,900	665,600	1,898,400

**1978-1981 figures from the Bureau of Labor Statistics have been adjusted to account for American Council of Life Insurance estimates of additional independent agents and staff personnel.*

Sources: Bureau of Labor Statistics; American Council of Life Insurance.

THE WORLD INSURANCE MARKET

In 1980, the world premium volume, excluding Eastern Bloc countries, amounted to some $435 billion dollars, according to data reported annually by the North American Reinsurance Corporation (NARC). The NARC report includes 52 countries which have total premium volume of at least $100 million and account for 99 percent of the total world premium volume. Although the 1980 world premium volume figure shows an 11 percent increase over the 1979 total of $392 billion, NARC notes that the growth rate actually declined slightly if real values are considered, taking into account a world inflation rate of 15.5 percent.

The United States' share of the world insurance market dropped slightly from 44.7 in 1979 to 43.6 in 1980. The U.S. premium volume, however, was greater than that of the next nine leading nations combined. The United States also was the leader in terms of the economic significance of the insurance industry, measured in terms of its relationship to the gross national product. U.S. premiums as percentage of GNP stood at 7.23 in 1980, followed by 6.10 in Ireland and 6.08 in Switzerland.

The 8.4 percent increase in U.S. premium volume from 1979 to 1980 contrasted with such increases as 30.6 percent in Japan, 26.2 percent in Great Britain and 10.8 percent in Canada.

On a premium-per-capita basis, Switzerland was the world leader in 1980 at $960.60. The United States was second at $833.70 per capita, followed by West Germany at $653.90.

The table below lists the 10 leading insurance countries, based on total premium income from direct domestic business of all national and foreign insurers.

The World's Leading Insurance Countries in 1980

(Premiums in Millions of U.S. Dollars)

Rank	Country	Non-Life Premiums	Life Premiums	Total Premiums	Percentage of Total World Premiums
1	United States	$124,946	$64,859	$189,805	43.63
2	Japan	18,672	40,523	59,195	13.61
3	W. Germany	23,593	16,659	40,252	9.25
4	Great Britain	15,052	15,981	31,033	7.14
5	France	16,546	6,086	22,632	5.20
6	Canada	7,353	5,106	12,459	2.86
7	Netherlands	5,118	3,410	8,528	1.96
8	Italy	6,295	956	7,251	1.67
9	Australia	4,673	2,371	7,044	1.62
10	Switzerland	3,139	2,980	6,119	1.41

Source: North American Reinsurance Corporation.

NET PREMIUMS WRITTEN BY LINE

Total premiums written by insurance companies in 1981 in the United States for all types of insurance approximated $219 billion.

Purchases of property and casualty insurance increased about 4 percent in 1981. Net premiums written by property and casualty companies totaled nearly $99.3 billion in 1981.

Approximate premium totals for principal property, liability and allied lines of insurance in 1980 and 1981 are tabulated below, along with the percentage of change in premium volume in each of those lines in 1981.

Net Premiums Written, Principal Lines, 1980-1981*

	1981	1980	% Change
Auto Liability, Pv. Passenger	$19,649,912,000	$18,590,373,000	+ 5.7
Auto Liability, Commercial	4,745,262,000	4,728,913,000	+ .3
Total Auto Liability	24,395,174,000	$23,319,286,000	+ 4.6
Auto Physical Damage, Pv. Passenger	14,033,870,000	$13,086,150,000	+ 7.2
Auto Physical Damage, Commercial	2,713,919,000	2,746,853,000	− 1.2
Total Auto Physical Damage	16,747,789,000	$15,833,003,000	+ 5.8
Total Automobile	41,142,963,000	$39,152,289,000	+ 5.1
Medical Malpractice	1,338,299,000	$ 1,275,603,000	+ 4.9
General Liability	6,046,292,000	6,416,671,000	− 5.8
Total Liability (other than auto)	7,384,591,000	$ 692,274,000	− 4.0
Fire Insurance and Allied Lines	4,817,003,000	4,783,895,000	+ .7
Homeowners Multiple Peril	10,779,626,000	9,820,753,000	+ 9.8
Farmowners Multiple Peril	619,889,000	554,759,000	+ 11.7
Commercial Multiple Peril	6,869,978,000	6,885,834,000	− .2
Workers' Compensation	14,616,297,000	14,238,646,000	+ 2.6
Inland Marine	2,427,692,000	2,291,294,000	+ 5.9
Ocean Marine	1,126,766,000	1,064,798,000	+ 5.8
Surety and Fidelity	1,351,247,000	1,247,640,000	+ 8.3
Burglary and Theft	127,534,000	135,727,000	− 6.0
Crop-Hail	504,490,000	416,577,000	+ 21.1
Boiler and Machinery	298,320,000	292,624,000	+ 1.9
Glass	31,085,000	32,248,000	− 3.6
Aircraft	208,710,000	171,206,000	+ 21.9
Accident and Health	3,585,113,000	3,290,764,000	+ 8.9
Other Lines	3,888,761,000	3,917,065,000	− .7
Total, All Lines	99,275,575,000	95,568,749,000	+ 3.9

**Net premiums written represent premium income retained by insurance companies, direct or through reinsurance, less payments made for business reinsured.*

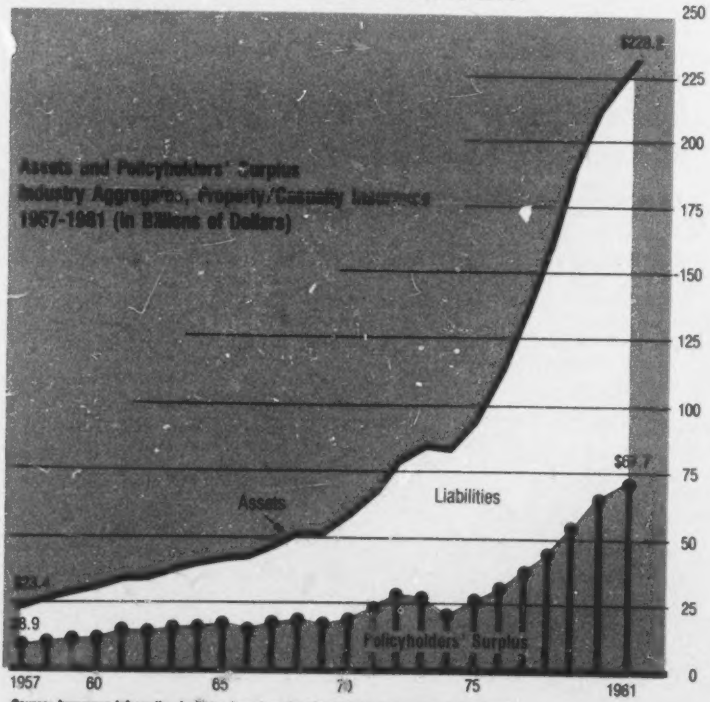
Sources: Best's Aggregates & Averages; National Crop Insurance Association.

ASSETS AND POLICYHOLDERS' SURPLUS

An idea of the strength and reliability of the property and casualty companies may be gained from a review of their assets and policyholders' surplus. The surplus is the sum remaining after liabilities are deducted from assets, and includes such sums as paid-in capital and special voluntary reserves. It provides additional financial protection to policyholders in the event of unexpected or catastrophic losses.

Traditionally, assets and policyholders' surplus have been reported in terms of aggregate totals, with the result that the industrywide figures have included some duplications because of interownerships within company groups. Since these figures have been reported consistently on the same basis, however, they provide a clear reflection of historical trends. The graph below, which is based on the aggregate figures, shows that while the industry's assets have been climbing steadily, liabilities have been increasing at a greater rate than surplus.

The graph also shows that over the years there have been some fluctuations in the policyholders' surplus account. The biggest single-year decline occurred in 1974, when a $6.2 million drop in the overall surplus account was attributed to depressed market values of securities combined with underwriting losses of more than $2.64 billion. Deflated securities values had been blamed for a lesser decline in 1973.



Source: Insurance Information Institute, based on data from Best's Aggregates & Averages.

Assets and Policyholders' Surplus (continued)

Consolidated totals, computed by eliminating interownerships, provide a more accurate picture of the industry's financial position. The table below reflects an increase of 3.1 percent in policyholders' surplus from 1980 to 1981 and an increase of 83.6 percent since 1977. Assets, up 7.4 percent in 1981, have risen by some 68 percent since 1977. Most of these assets are invested in government, industrial and utility bonds, high grade stocks and to some extent in the real estate which the companies use for their own offices.

Consolidated Assets and Policyholders' Surplus
1977-1981

	Assets	Policyholders' Surplus
1977	$126,613,185,351	$29,300,386,435
1978	149,097,273,952	35,378,833,175
1979	174,227,967,482	42,456,100,830
1980	197,660,794,250	52,196,380,693
1981	212,302,741,594	53,804,788,612

Source: Best's Aggregates & Averages

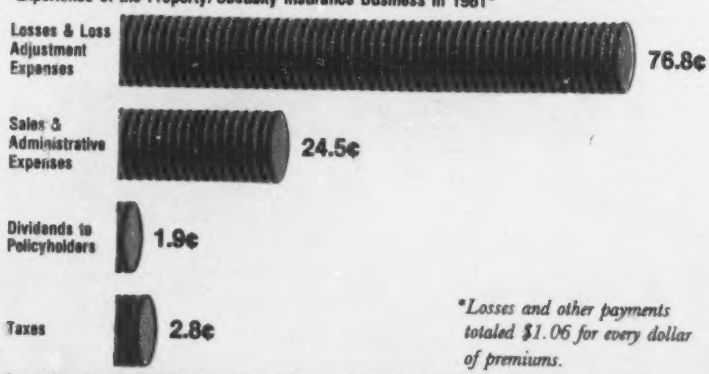
WHERE THE PREMIUM DOLLAR GOES

Losses and the expenses involved in adjusting claims accounted for nearly 77 cents of every premium dollar taken in by property and casualty insurers in 1981. The overall cost of underwriting operations in 1981 amounted to the equivalent of $1.06 for every dollar in premiums, although the underwriting operations are intended to yield a reasonable profit.

Even in unprofitable years, some companies pay dividends to commercial policyholders that reflect their favorable loss experience, or dividends that reflect the total loss experience of certain lines of insurance.

Where the Premium Dollar Goes

Experience of the Property/Casualty Insurance Business in 1981*



**Losses and other payments totaled $1.06 for every dollar of premiums.*

Source: Insurance Information Institute, based on data provided by A.M. Best Co.

OPERATING RESULTS, PROPERTY/CASUALTY INSURERS

Profits and losses of property and casualty insurance companies, particularly in recent years, have been subject to greater fluctuations than those of such other industries as banks, utilities and industrial companies. Separate analyses show that:

- The property/casualty business during the last quarter-century has recorded a net underwriting loss, after policyholders' dividends, of nearly $19.9 billion. The industry has shown profits on underwriting operations in only nine of the last 25 years and in only five of the last 15 years (table I).
- Investments of capital and surplus accounts, together with money set aside as loss reserves and unearned premium reserves, have generated income in those 25 years (table II), thus permitting companies to continue their insurance operations despite the frequent underwriting deficits.

I — Underwriting Results
Property/Casualty Insurance Business
1957-1981

	Statutory Underwriting Gain/Loss	Policyholder Dividends	Net Underwriting Gain/Loss
1957	$ −130,332,479	$ 278,731,164	$ −409,063,643
1958	205,980,164	281,340,460	−75,360,296
1959	426,979,850	299,492,435	127,487,415
1960	462,366,550	312,538,826	149,827,724
1961	482,088,736	317,267,523	164,821,263
1962	343,667,196	297,153,061	46,514,135
1963	−165,513,560	342,918,102	−508,431,662
1964	−325,722,907	346,383,390	−672,106,297
1965	−352,262,883	357,266,631	−709,529,514
1966	386,926,845	406,801,627	−19,874,782
1967	233,618,824	448,577,105	−254,958,281
1968	−148,223,790	420,525,267	−568,749,057
1969	−529,899,198	518,055,044	−1,047,954,242
1970	77,776,245	503,557,640	−425,781,395
1971	1,381,800,492	555,628,714	826,171,778
1972	1,797,933,814	736,282,724	1,061,651,090
1973	791,761,321	785,697,875	6,063,446
1974	−1,878,371,405	766,526,721	−2,644,898,126
1975	−3,593,959,232	632,838,443	−4,226,797,675
1976	−1,558,551,291	630,100,279	−2,188,651,570
1977	1,926,315,435	814,512,866	1,111,802,569
1978	2,548,142,724	1,251,810,856	1,296,331,868
1979	23,605,762	1,324,377,487	−1,300,771,725
1980	−1,712,423,071	1,621,544,714	−3,333,967,785
1981	−4,463,887,604	1,823,748,383	−6,287,635,987

Source: Best's Aggregates & Averages.

Operating Results, Property/Casualty Insurers (continued)

Data provided by the National Association of Insurance Commissioners covering a 10-year period show that the industry's annual operating profit or loss (after income taxes and exclusive of capital gains) as a percentage of sales ranged from a 1.8 percent loss in 1975 to a 5.9 percent profit in 1978, then dropped to a 5.0 percent profit in 1979 and a 4.4 percent profit in 1980. The NAIC found that profits considered as a return on net worth, which were 14.3 percent in 1971, fell to a low of 1.8 percent in 1975, reached a high of 18.0 percent in 1978 and fell off to 15.3 percent in 1979 and 12.7 percent in 1980.

II — Investment Income, Property/Casualty Insurers*
1957-1981

1957	$ 579,681,952	1969	$ 1,711,806,360
1958	618,356,555	1970	2,005,080,766
1959	684,701,752	1971	2,421,495,267
1960	767,895,538	1972	2,799,737,168
1961	813,163,277	1973	3,325,344,488
1962	883,630,622	1974	3,832,669,322
1963	947,022,329	1975	4,150,203,882
1964	1,031,931,888	1976	4,805,938,998
1965	1,131,625,619	1977	5,815,788,033
1966	1,217,979,544	1978	7,289,554,007
1967	1,351,764,288	1979	9,279,235,043
1968	1,511,509,149	1980	11,063,492,131
		1981	13,248,494,833

**Industrywide investment income, less investment expenses, before taxes. Figures for years prior to 1977 are aggregates and include some duplications because of interownerships within company groups. Totals from 1977 through 1981 have been consolidated to eliminate such duplications. Aggregate investment income figures for all years were used in the development of the second and third charts on page 18 in order to provide a consistent reflection of historical trends.*

Source: Best's Aggregates & Averages.

III — Combined Net Income* Before Taxes, Property/Casualty Insurers
1957-1981

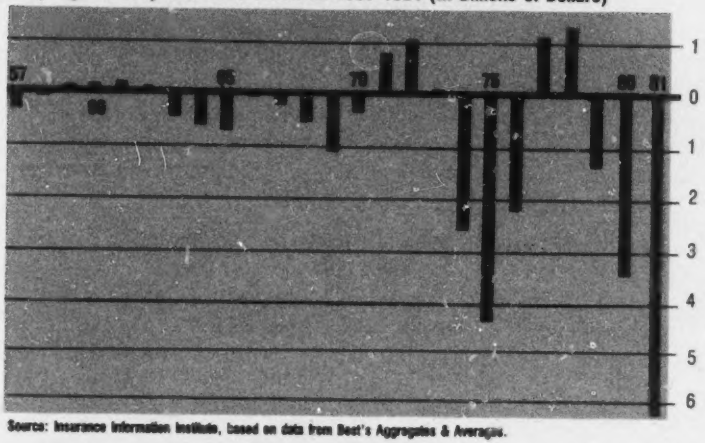
1957	$ 170,618,309	1969	$ 663,852,118
1958	542,996,259	1970	1,579,299,371
1959	812,189,167	1971	3,247,667,045
1960	917,723,312	1972	3,861,388,258
1961	977,984,540	1973	3,331,407,934
1962	930,144,757	1974	1,187,771,196
1963	438,590,667	1975	76,593,793
1964	359,825,591	1976	2,617,287,428
1965	422,096,105	1977	6,927,590,602
1966	1,198,104,762	1978	8,585,885,875
1967	1,096,806,007	1979	7,978,463,318
1968	942,760,092	1980	7,729,524,346
		1981	6,960,858,846

**Includes both underwriting gains or losses and investment income.*

Source: Best's Aggregates & Averages.

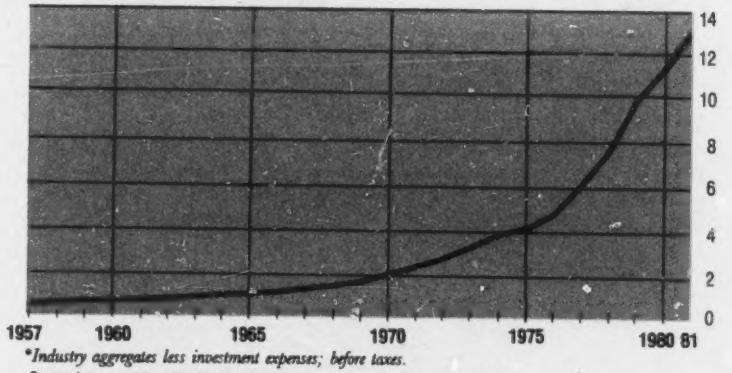
Operating Results, Property/Casualty Insurers (continued)

Underwriting Gains/Losses After Policyholder Dividends
Property/Casualty Insurance Business 1957-1981 (In Billions of Dollars)



Source: Insurance Information Institute, based on data from Best's Aggregates & Averages.

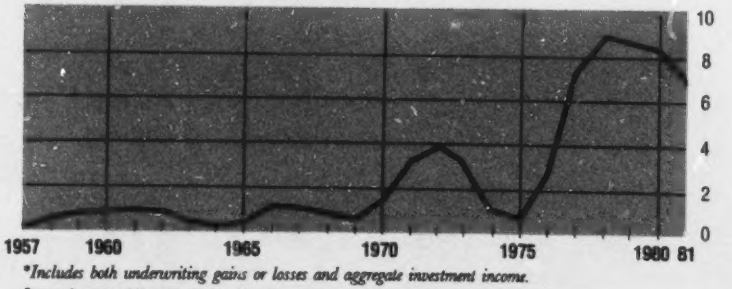
Investment Income, Property/Casualty Insurers*
1957-1981 (In Billions of Dollars)



**Industry aggregates less investment expenses; before taxes.*

Source: Insurance Information Institute, based on data from Best's Aggregates & Averages.

Combined Net Income* Before Taxes, Property/Casualty Insurers
1957-1981 (In Billions of Dollars)



**Includes both underwriting gains or losses and aggregate investment income.*

Source: Insurance Information Institute, based on data from Best's Aggregates & Averages.

PROFITABILITY, INSURANCE AND OTHER INDUSTRIES

The highly competitive nature of the property/casualty insurance business generally has held its profitability over the years below the average of all U.S. industries, although in some years it has outperformed other industries, including those which are financially oriented.

The table below, based on data compiled by Citibank of New York, compares the average annual rates of return on net worth of stockholder-owned property/casualty insurers, public utilities, commercial banks, service industries, manufacturers and all industries combined for the years 1972 through 1981 and for each of the last three 10-year periods.

For property/casualty insurers, the Citibank averages differ from those compiled by the National Association of Insurance Commissioners and reported in part on page 17. The rates of return computed by Citibank are after-tax profits as a percentage of net worth at the beginning of each year, and are based on the experience of capital stock companies only. NAIC's all-industry figures represent net income divided by mean net worth during the year.

Average Annual Rates of Return on Net Income After Taxes as Percent of Net Worth*, Selected Industries

Year	Property/ Casualty insurance**	Public Utilities	Commercial Banks	Services	Manu-facturing	All Industries
1972	13.7	10.3	10.5	12.1	12.1	10.5
1973	9.4	10.6	11.0	12.9	14.9	12.0
1974	5.9	10.4	10.7	13.5	15.2	12.5
1975	4.0	11.0	10.3	15.0	12.6	11.5
1976	11.3	11.5	11.5	18.1	15.0	13.3
1977	21.0	12.1	11.8	18.3	14.8	13.8
1978	20.9	12.1	12.9	19.2	16.0	14.6
1979	17.8	13.0	13.9	19.1	18.3	16.4
1980	14.5	12.6	13.7	19.2	16.4	14.9
1981	11.9	13.8	15.4	20.9	15.5	14.5
1972-81 Avg.	13.04	11.74	12.17	16.83	15.08	13.4
(Stnd. Deviation)	(5.48)	(1.22)	(1.63)	(2.98)	(1.68)	(1.70)
1962-71 Avg.	4.95	10.59	9.41	13.06	12.24	10.01
(Stnd. Deviation)	(2.57)	(0.32)	(0.70)	(2.36)	(1.3)	(0.70)
1952-61 Avg.	5.35	9.63	8.62	11.04	12.08	10.14
(Stnd. Deviation)	(1.88)	(0.33)	(0.89)	(1.32)	(1.58)	(1.01)

**Net worth at beginning of each year; equivalent to "book net assets" or stockholders' equity.*

***Capital stock companies.*

Source: Corporate Profits Tabulations, Economic Department, Citibank; 10-year averages computed by the Insurance Information Institute.

INVESTMENTS OF PROPERTY/CASUALTY INSURERS

The decade of the Seventies saw a significant change in the investment portfolios of property/casualty insurance companies, with more and more emphasis on fixed-income securities.

From 1971 to 1981, the portion of those portfolios invested in bonds rose from 60.3 percent to 74.8 percent. Over the same period, holdings of preferred stocks increased from 3.6 percent to 5.0 percent. Portfolio holdings of common stocks declined from 35.7 percent to 18.7 percent in the 10-year period ended 1981.

Among the fixed-income securities, the sharpest increase was in holdings of special revenue bonds, which nearly doubled during the decade. Special revenue bonds include those issued by hospitals and colleges for expansion of facilities as well as for various public works programs, toll bridges and highways.

Funds used by property/casualty companies for investments are generally derived from three major sources: policyholders' surplus, unearned premium reserves and loss reserves. Property/casualty companies maintain the bulk of their funds in investments that can be sold readily—stocks and bonds, rather than general real estate—so that prompt payment of claims in the event of a catastrophe is assured.

Investments of Property/Casualty Insurers

	% in 1981	% in 1976	% in 1971
Bonds	**74.82**	**70.04**	**60.29**
U.S. Government	11.73	11.82	8.89
Other Government	.81	.48	.60
State, Municipal, Etc.	14.90	16.32	18.05
Special Revenue, Etc.	33.23	24.78	17.87
Railroad	.31	.43	.61
Utility	3.59	4.69	4.68
Miscellaneous	9.84	10.98	9.12
Parent, Subs., Affiliates	.41	.54	.47
Common Stock	**18.67**	**25.74**	**35.66**
Railroad	.15	.03	.16
Utility	1.52	1.92	3.57
Bank	.95	1.19	2.13
Savings & Loan	—	—	.03
Insurance	.86	.33	.43
Miscellaneous	10.53	10.95	19.46
Parent, Subs, Affiliates	4.66	11.32	9.88
Preferred Stock	**4.96**	**3.59**	**3.60**
Railroad	.06	.01	.02
Utility	3.33	2.83	2.45
Bank	.11	.02	.02
Insurance	.03	.06	.03
Miscellaneous	1.36	.59	1.02
Parent, Sub., Affiliates	.07	.08	.06
Other	**1.55**	**.63**	**.45**
Mortgages	.77	.29	.39
Collateral Loans	.09	.05	.06
Other Invested Assets	.69	.29	—

Source: A. M. Best Co.

NET PREMIUMS WRITTEN, 1960-1981

Total net premiums written by property and casualty companies for all lines, including accident and health, have risen from about $15 billion in 1960 to about $99.3 billion in 1981. While many insurance groups have transferred their accident and health writings from their property and casualty affiliates to their life insurance affiliates, accident and health premiums accounted for almost $3.6 billion of the total premiums written in 1981 by property and casualty companies.

Total Net Premiums Written by Property and Casualty Insurance Companies, 1960-1981 (000 omitted)

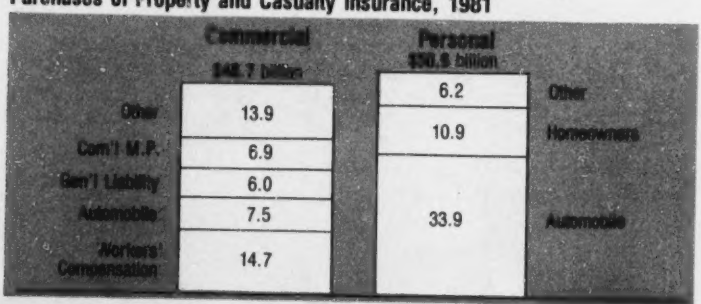
	Accident and Health	All Other	Total		Accident and Health	All Other	Total
1960	$1,357,600	$13,615,031	$14,972,631	1977	$2,316,734	$70,080,195	$72,396,929
1965	1,643,648	18,419,820	20,063,468	1978	2,627,884	79,062,047	81,689,931
1970	1,908,841	30,958,185	32,867,026	1979	3,179,250	86,943,369	90,122,619
1975	1,820,412	48,146,153	49,966,565	1980	3,290,764	92,388,785	95,568,749
1976	2,120,152	58,693,166	60,813,318	1981	3,585,113	95,690,462	99,275,575

Source: Best's Aggregates & Averages.

WHO PAYS THE PREMIUM DOLLAR?

Buyers of personal lines of insurance accounted for approximately 51 percent of the $99,275,575 in net premiums written by property and casualty insurers in the United States in 1981. Premiums paid by commercial purchasers amounted to an estimated $49 billion with the heaviest concentrations in workers' compensation, automotive coverages, general liability and commercial multiple peril "package" policies. Business insurance purchasers also control a large share of the billions of dollars spent each year for group accident and health insurance. Estimates of the property and liability insurance premiums paid by commercial and individual insurance purchasers are shown below.

Purchases of Property and Casualty Insurance, 1981



Source: Insurance Information Institute, based on data provided by A.M. Best Co.

AUTOMOBILE INSURANCE

In the face of continually climbing medical, legal and automobile repair costs, a vast majority of America's 147 million motorists are recognizing the prudence of purchasing automobile insurance to protect themselves against financial hardship resulting from auto accidents.

Auto insurance, in fact, is the largest single classification of the property/casualty business. The premium volume of some $41.1 billion recorded in 1981 was 5.1 percent higher than that of the previous year and was more than double that of 1972, only nine years earlier. Auto insurance in 1981 accounted for 41.4 percent of the total premium volume written by property/casualty insurance companies.

Automobile liability insurance comprises about 60 percent of all auto insurance purchases. About half of the states today require their registered car owners to carry automobile liability insurance or to provide some other form of security.

Auto insurance is purchased primarily by individuals or family groups. In 1981, only 18.1 percent of all automobile insurance was purchased by industrial and other commercial buyers.

Premiums Written
1956-1981

Year	Auto Liability Insurance		Auto Physical Damage Insurance	
1956	$2,684,270,000		$1,613,294,000	
1960	3,882,917,000		1,993,929,000	
1965	5,423,674,000		2,860,819,000	
1970	8,958,243,000		4,823,564,000	
	Private Passenger*	Commercial*	Private Passenger*	Commercial*
1972	$ 9,069,708,000	$2,306,215,000	$ 5,501,974,000	$1,051,965,000
1973	10,775,475,000	2,539,220,000	6,385,762,000	1,237,178,000
1974	12,899,103,000	3,152,478,000	7,987,438,000	1,577,822,000
1975	14,998,323,000	3,830,189,000	9,582,116,000	1,938,934,000
1976	16,047,775,000	4,335,232,000	10,540,718,000	2,294,195,000
1977	17,385,444,000	4,716,903,000	11,909,408,000	2,628,293,000
1978	18,590,373,000	4,728,913,000	13,086,150,000	2,746,853,000
1979	19,649,912,000	4,745,262,000	14,033,870,000	2,713,919,000

**Totals were not broken down into these categories prior to 1972.*

Source: Best's Aggregates & Averages.

MULTIPLE PERIL INSURANCE

Until the mid-1950s, property owners had to buy a variety of insurance coverages separately in order to obtain full coverage against such perils as fire, windstorm, burglary and theft, and to protect themselves against liability claims. While most property owners purchased fire and extended coverage insurance, many failed to take advantage of other available forms of coverage. It was to help people more adequately safeguard their resources that insurers developed the homeowners, commercial and other "package" policies offering adequate coverage against a variety of perils at a cost lower than the combined costs of the individual coverages.

The success of the package policies has had a pronounced effect on the amount of insurance written in recent years on such separate lines as fire and extended coverage, liability (other than auto), burglary and theft, inland marine and glass because of the inclusion of such coverages in the package policies.

The rapid growth in popularity of the "package" policies is illustrated by a jump in homeowners premium volume from $240.7 million in 1957 to nearly $10.8 billion in 1981, and a similarly spectacular rise, from $28.5 million to nearly $6.9 billion, in premiums written for commercial package policies. Farmowners multiple peril premiums, reported separately for the first time in 1973, rose from $185 million in that year to nearly $620 million in 1981.

In 1981, premiums written from commercial "package" policies decreased a slight 0.2 percent. Farmowners premiums were up 11.7 percent and homeowners premiums were up 9.8 percent.

Premiums Written
1957-1981

	Homeowners	Commercial	Farmowners*
1957	$ 240,680,000	$ 28,459,000	
1960	763,765,000	55,575,000	
1965	1,523,204,000	508,993,000	
1970	2,564,561,000	1,331,439,000	
1975	4,729,381,000	3,176,373,000	$259,906,000
1976	5,688,547,000	4,051,785,000	313,114,000
1977	6,765,671,000	4,890,528,000	384,567,000
1978	7,792,293,000	5,829,795,000	434,478,000
1979	8,791,661,000	6,666,822,000	518,569,000
1980	9,820,753,000	6,885,159,000	554,759,000
1981	10,779,626,000	6,869,978,000	619,889,000

**Not reported as a separate line prior to 1973.*

Source: Best's Aggregates & Averages.

FIRE INSURANCE AND ALLIED LINES

With fire insurance coverage widely sold as part of the popular homeowners and commercial multiple peril policies, premium volume from fire insurance policies dipped slightly in 1981. However, the premium volume for fire and allied lines combined was 0.7 percent higher in 1981 than in the previous year.

Premiums Written
1960-1981

Year	Fire	Allied Lines*
[illegible]	$1,667,385,000	$ 738,910,000
[illegible]	1,548,139,000	667,254,000
[illegible]	2,199,424,000	947,958,000
[illegible]	2,510,230,000	1,180,946,000
[illegible]	2,810,538,000	1,291,270,000
[illegible]	2,992,803,000	1,421,897,000
[illegible]	3,223,389,000	1,451,979,000
[illegible]	3,246,495,000	1,534,155,000
[illegible]	3,209,955,000	1,573,940,000
[illegible]	3,192,516,000	1,624,487,000

**Covers a wide variety of perils, including windstorm, riot, explosion, sprinkler leakage, water damage and earthquakes.*

Source: Best's Aggregates and Averages.

BURGLARY AND THEFT INSURANCE

The burglary lines include coverages for loss of property (including money and securities) due to burglary, robbery or larcency, and loss of money and securities due to destruction or disappearance. Much of this coverage is now included in package policies. Countrywide, premium volume declined by 6 percent in 1981.

Premiums Written
1960-1981

[illegible]	$115,939,000	[illegible]	$128,877,000
[illegible]	109,716,000	[illegible]	132,855,000
[illegible]	135,320,000	[illegible]	140,071,000
[illegible]	120,083,000	[illegible]	135,727,000
[illegible]	124,447,000	[illegible]	127,534,000

Source: Best's Aggregates and Averages.

INLAND MARINE INSURANCE

Inland marine insurance, originally developed to cover goods in transit by other than ocean vessels, today covers such instruments of transportation as bridges and tunnels as well as personal effects, personal property, jewelry, furs, fine arts and many other properties.

Inland marine premium volume increased 6 percent in 1981 despite continued diversion of personal property coverages to homeowners and other package forms.

Premiums Written 1960-1981

1960	$380,919,000	1975	$1,266,138,000	1979	$2,061,306,000
1965	489,104,000	1977	1,583,966,000	1980	2,291,294,000
1970	811,991,000	1978	1,867,189,000	1981	2,427,692,000

Source: Best's Aggregates & Averages.

OCEAN MARINE INSURANCE

The American ocean marine hull and cargo market has gradually expanded in volume and capacity. Its growth reflects not only greater international trade but the increase in ownership of pleasure craft along the coastal and inland waterways.

Premium volume for ocean marine insurance rose 5.8 percent in 1981.

Premiums Written 1960-1981

1960	$230,429,000	1975	$ 860,960,000	1979	$1,008,816,000
1965	261,737,000	1977	953,231,000	1980	1,064,798,000
1970	464,682,000	1978	1,000,203,000	1981	1,126,766,000

Source: Best's Aggregates & Averages

GLASS INSURANCE

Architectural demands, merchandising trends and decorative constructional functions have contributed to an ever-increasing use of glass, and an ever-increasing need for glass insurance. With glass coverage now included in many of the popular multiple peril package policies, premium volume for glass insurance declined in 1981 for the third consecutive year.

Premiums Written 1960-1981

1960	$47,740,000	1975	$32,155,000	1979	$33,457,000
1965	41,207,000	1977	34,241,000	1980	32,248,000
1970	40,445,000	1978	34,951,000	1981	31,085,000

Source: Best's Aggregates & Averages.

GENERAL LIABILITY INSURANCE

Liability insurance (other than automobile) provides protection against claims arising from injuries to others, or damage to property of others, and for which the insured person is held responsible because of ownership of property, manufacturing or contracting operation, sale or distribution of products, the operation of elevators and the like, as well as professional services.

Sharp increases in the number of lawsuits and the average size of claims in recent years, particularly against doctors and other professional people and product manufacturers, have helped to generate a continuing need for the financial protection afforded by general liability insurance. Although liability coverage is included in both commercial and homeowners "package" policies, the premium volume for the general liability line alone rose steadily for many years. The underwriting profits in 1977 and 1978, however, created a competitive market which brought down the cost of general liability insurance. The premium growth rate slowed in 1978 and 1979, and actually declined in 1980 and 1981.

Medical malpractice premiums have been reported separately since 1975 (see second table below) but they are included in the following general liability totals for all years to permit a valid year-by-year comparison.

Premiums Written
1960-1981

1960	$ 962,831,000	1975	$3,980,661,000	1979	$7,816,800,000
1965	1,136,745,000	1977	6,793,809,000	1980	7,690,281,000
1970	2,139,671,000	1978	7,705,853,000	1981	7,384,591,000

Source: Best's Aggregates & Averages.

MEDICAL MALPRACTICE INSURANCE

A proliferation of insurance claims and lawsuits against hospitals, doctors and other medical practitioners has generated a heavy demand for medical malpractice insurance in recent years.

Medical malpractice premiums increased by 4.9 percent from 1980 to 1981.

Premiums Written
1975-1981

1975	$ 895,435,000	1979	$1,204,326,000
1976	1,132,790,000	1980	1,275,603,000
1977	1,194,082,000	1981	1,338,299,000
1978	1,215,789,000		

Source: Best's Aggregates & Averages.

WORKERS' COMPENSATION INSURANCE

Workers' compensation insurance is designed to provide for the cost of medical care, rehabilitation and lost wages for injured employees and death benefits for the dependents of persons killed in work-related accidents. The scope of this coverage has broadened considerably in recent years, in large measure because of improvements in state laws to meet performance standards recommended in 1972 by the National Commission on State Workmen's Compensation Laws. Many states have taken action not only to expand benefits but also to make the coverage applicable to classifications of employees not previously covered.

The premium volume has more than quadrupled since 1970 and in 1981 was up 2.7 percent over the 1980 total.

Premiums Written
1960-1981

1960	$1,419,362,000	1975	$ 6,185,943,000	1979	$13,164,144,000
1965	2,042,232,000	1977	9,261,418,000	1980	14,238,247,000
1970	3,492,307,000	1978	11,300,144,000	1981	14,616,297,000

Source: Best's Aggregates & Averages.

SURETY AND FIDELITY

Surety bonds, including contract, license and permit, court and fiduciary bonds, provide for monetary compensation should there be a failure to perform certain acts—such as the proper fulfillment of a construction contract—within a stated period. Surety bond premiums increased 9.3 percent in 1981.

Fidelity bonds, a suretyship product, are a form of protection against losses caused by dishonest or fraudulent acts of employees. The growth of this line—5.7 percent in 1981—is overshadowed by its potential. Although most financial institutions are bonded, fewer than 25 percent of mercantile establishments protect themselves with fidelity bonds.

Premiums Written
1960-1981

	Surety	Fidelity
1968	$197,692,000	$114,757,000
1965	289,247,000	119,140,000
1970	385,890,000	176,421,000
1975	566,869,000	221,741,000
1977	628,505,000	283,251,000
1978	759,480,000	316,703,000
1979	805,142,000	350,046,000
1980	887,577,000	360,063,000
1981	970,498,000	380,749,000

Source: Best's Aggregates and Averages.

BOILER AND MACHINERY INSURANCE

This is a specialized line covering a wide variety of power-producing equipment. Insurance companies place considerable emphasis on inspection and engineering techniques in the interests of safety. The growth of automation in industrial processes and the increased size and sophistication of production facilities have heightened the need for loss-preventive services. The boiler and machinery premium volume rose by about 2 percent in 1981.

Premiums Written 1960-1981

1960	$ 85,080,000	1976	$173,169,000	1979	$282,795,000
1965	90,508,000	1977	213,098,000	1980	292,624,000
1975	115,278,000	1978	255,873,000	1981	298,320,000

Source: Best's Aggregates & Averages.

CROP-HAIL INSURANCE

Hail storms, which occur most frequently in the Great Plains states, often destroy hundreds of thousands—even millions—of dollars worth of crops. Crop-hail insurance provides financial protection against damage to growing crops as a result of hail or other perils. Entire communities as well as individual farms are covered under crop-hail insurance.

The 1981 season was another loss year for the crop-hail industry, according to the National Crop Insurance Association. Crop insurers paid out in losses approximately 69 cents for every premium dollar taken in. A 60 percent loss ratio is designated as the break-even point.

Premium volume increased by 21 percent in 1981 to top the half-billion-dollar mark. Leading premium volume states were Iowa, Illinois, Minnesota, Nebraska and North Dakota. Minnesota and Iowa, which had 28 percent of the premium volume, suffered 51 percent of the total loss in 1981 because of a violent one-day storm that destroyed crops in an area spanning 11,200 square miles.

Premiums Written*
1960-1981

1960	$103,021,000	1976	$312,439,000	1979	$395,855,000
1965	116,960,000	1977	339,913,000	1980	416,577,000
1975	125,063,000	1978	351,217,000	1981	504,490,000

**Premiums written are by private insurance companies and the Montana hail fund.*

Source: National Crop Insurance Association.

NUCLEAR INSURANCE

Insurance against losses resulting from nuclear accidents is provided by three insurance company groups: the American Nuclear Insurers, the Mutual Atomic Energy Liability Underwriters and the Mutual Atomic Energy Reinsurance Pool. Coverage against nuclear losses through the pools has been available since 1957.

Together the nuclear pools make available to any nuclear facility:

- Up to $160 million of liability coverage (bodily injury and property damage combined) and $30 million of contingent liability. These coverages provide financial protection for the general public.
- Up to $527 million of insurance to cover damage to the property of nuclear facility operators on an "all-risk" basis.

A large percentage of the liability premium income of the pools has been returned to the nuclear facilities annually in the form of refunds. Under a program known as the Industry Credit Rating Plan, approximately 70 percent of liability premium income is placed in a reserve fund used only for loss or loss expense payments. That portion not used during a period of 10 years is refunded to the insureds. From 1967 through 1981, the refunds have totaled more than $18.5 million.

The following table shows the premium income since 1957 for the nuclear insurance domestic liability and property insurance pools.

Year	Liability Premium	Property Premium
1957-1970	$ 27,652,843*	$ 37,851,142*
1971	5,726,479	12,822,690
1972	6,552,647	17,211,316
1973	8,389,234	11,222,300
1974	11,494,498	17,581,644
1975	14,192,111	20,405,797
1976	15,351,874	25,520,449
1977	17,532,802	28,773,664
1978	19,184,000	30,702,774
1979	20,316,309	40,199,176
1980	23,002,157	61,353,439
1981	28,500,000**	74,263,992

**Represents gross written premium from inception to Nov. 30, 1970.*

***Estimated.*

Source: American Nuclear Insurers.

DIRECT WRITTEN PREMIUMS BY STATE

Direct premiums written by property and casualty insurance companies in 1981 totaled about $101 billion, an increase of 4.4 percent over the 1980 total. Data provided by A.M. Best Company (representing about 98 percent of the nation's total insurance market) provided the basis for the tabulation below of premiums by state for selected lines which together accounted for 75.5 percent of the overall volume.

The direct written premium total included $98,370,644,000 in premiums for the various property and casualty coverages and $2,602,290,000 in accident and health insurance premiums.

The totals differ slightly from the premium totals shown elsewhere in Insurance Facts because the tabulations presented here are based on direct premiums written and those used elsewhere are based on net premiums written. Direct written premiums are the amounts actually paid by the policyholders. Net written premiums reflect additional exchanges of premiums among insurance companies which contract, through a process known as reinsurance, to absorb specified portions of each other's losses.

Automobile liability premiums combine bodily injury and property damage liability totals. Workers' compensation premiums exclude the premiums written by 18 state workers' compensation insurance funds.

Direct Written Premiums, Selected Lines — 1981
(000 omitted)

State	Automobile Liability	Automobile Physical Damage	Homeowners	Commercial Multi-Peril	Workers' Compensation	Total All Lines**
	$ 244,509	$ 255,838	$ 172,231	$ 85,603	$ 162,482	$
	46,553	33,613	24,325	27,552	103,526	
	303,242	209,026	134,401	98,582	179,751*	
	160,242	149,761	105,190	54,787	127,594	
	3,133,245	2,056,229	1,296,718	1,108,341	2,524,916*	
	306,098	265,294	149,494	117,051	102,491*	
	461,686	237,525	205,289	145,749	365,372	
	67,948	42,458	26,617	16,833	51,627	
	47,220	28,296	21,310	24,763	133,286	
	1,201,724	635,054	471,950	352,717	605,681	
	517,891	371,452	232,860	130,203	303,709	
	126,049	65,152	29,186	24,230	122,918	
	83,033	70,288	33,348	30,195	66,752*	
	1,161,963	835,845	532,047	441,403	901,326	
	447,698	385,414	274,200	181,089	150,058	

Direct Written Premiums (continued)

State	Automobile Liability	Automobile Physical Damage	Homeowners	Commercial Multi-Peril	Workers' Compensation	Total All Lines**
Iowa	$ 278,167	$ 207,759	$ 119,823	$ 85,754	$ 200,782	$ 1,305,344
Kansas	223,152	206,728	141,130	74,847	156,356	1,092,729
Kentucky	273,690	228,762	139,743	85,503	200,136	1,260,235
Louisiana	546,824	350,572	246,985	116,654	499,978	2,411,808
Maine	87,927	69,981	63,963	34,231	115,348	463,325
Maryland	559,450	275,624	174,020	118,269	335,836*	1,818,794
Massachusetts	769,281	590,741	405,677	226,317	471,796	2,992,191
Michigan	814,359	903,266	450,670	349,018	802,522*	4,221,560
Minnesota	498,701	293,396	226,238	159,521	413,692	2,109,091
Mississippi	162,478	166,008	100,539	41,121	99,675	827,088
Missouri	419,246	359,357	225 183	141,819	192,394	1,865,117
Montana	77,702	66,675	33,532	31,125	28,208*	325,543
Nebraska	132,261	126,045	72,444	53,522	71,894	703,113
Nevada	130,282	85,818	49,523	46,198	1,489*	430,074
New Hampshire	104,564	83,395	65,366	34,516	99,683	482,422
New Jersey	1,449,725	804,159	385,459	345,658	834,163	4,362,484
New Mexico	104,496	105,483	57,035	41,056	124,005	537,853
New York	2,082,389	987,177	817,516	803,382	977,935*	5,251,741
North Carolina	516,271	306,978	234,728	106,991	241,323	1,730,778
North Dakota	58,230	54,984	22,765	22,375	325*	287,594
Ohio	1,006,692	720,108	492,965	335,752	15,837*	3,930,109
Oklahoma	265,675	271,958	189,460	98,936	270,227*	1,455,617
Oregon	307,773	197,308	114,318	83,728	158,667*	1,139,354
Pennsylvania	1,473,694	795,399	470,296	375,993	1,235,247*	5,398,471
Rhode Island	100,909	68,003	56,356	34,914	87,928	436,778
South Carolina	302,733	183,831	139,705	64,028	147,382	1,044,579
South Dakota	53,559	46,134	18,955	19,643	25,189	259,328
Tennessee	362,902	285,555	217,100	124,697	211,501	1,555,448
Texas	1,271,687	1,280,176	786,814	323,163	1,527,605	7,161,962
Utah	117,201	94,177	49,111	36,549	24,348*	418,677
Vermont	43,288	39,486	31,420	22,934	30,647	219,288
Virginia	559,673	328,829	191,916	123,582	340,021	1,929,981
Washington	457,724	261,963	205,400	140,999	26,034*	1,557,914
West Virginia	153,011	138,379	69,420	40,522	2,302*	543,132
Wisconsin	433,019	275,177	173,669	137,410	288,102	1,756,911
Wyoming	41,121	58,084	24,382	22,725	3,132*	218,228
Total	$ 24,549,258	$ 16,778,721	$ 10,972,791	$ 7,742,551	$ 16,163,196*	$ 100,975,258

**Does not include state fund premiums.*

***Total includes premiums from fire and allied lines, farmowners multi-peril, ocean marine, inland marine, medical malpractice, general liability, aircraft, fidelity, surety, glass, burglary-theft, boiler and machinery, credit, earthquake, and accident and health lines.*

Source: Best's Executive Data Service.

PREMIUM TAXES

Insurance companies—including life, health and property/casualty companies—paid more than $3.3 billion in premium taxes to the 50 states and the District of Columbia in 1981—an increase of about 7 percent over the 1980 total. Approximately 45 percent of this amount was paid by property/casualty companies.

Premium taxes actually are taxes on gross income, and as such amount to an additional form of taxation on policyholders. Additional payments are made to states for licenses and fees, property taxes, sales and use taxes, unemployment compensation taxes, and in a few states, income and franchise taxes. Premium taxes accounted for about 2.2 percent of all taxes collected by the states during 1981.

Premium Taxes by State
1981

Alabama	$ 70,605,000	Montana	$ 14,264,000
Alaska	10,619,000	Nebraska	21,649,000
Arizona	41,722,000	Nevada	13,742,000
Arkansas	32,303,000	New Hampshire	14,130,000
California	460,447,000	New Jersey	96,607,000
Colorado	40,861,000	New Mexico	21,303,000
Connecticut	67,013,000	New York	206,267,000
Delaware	13,250,000	North Carolina	86,531,000
District of Columbia	14,617,000	North Dakota	9,247,000
Florida	103,269,000	Ohio	136,653,000
Georgia	70,205,000	Oklahoma	75,919,000
Hawaii	24,766,000	Oregon	47,950,000
Idaho	15,875,000	Pennsylvania	170,852,000
Illinois	84,684,000	Rhode Island	13,790,000
Indiana	57,426,000	South Carolina	42,773,000
Iowa	45,721,000	South Dakota	11,238,000
Kansas	36,756,000	Tennessee	66,630,000
Kentucky	90,497,000	Texas	189,167,000
Louisiana	89,670,000	Utah	19,128,000
Maine	13,989,000	Vermont	6,653,000
Maryland	59,896,000	Virginia	80,157,000
Massachusetts	114,083,000	Washington	60,888,000
Michigan	113,002,000	West Virginia	36,905,000
Minnesota	64,298,000	Wisconsin	44,384,000
Mississippi	39,169,000	Wyoming	7,946,000
Missouri	64,451,000	Total	$3,321,350,000

Source: U.S. Bureau of Census, Department of Commerce.

INSURANCE GUARANTY FUNDS

All 50 states, the District of Columbia and Puerto Rico have established procedures under which solvent property and casualty insurance companies absorb losses of claimants against insolvent insurers. New York for many years has had a pre-assessment fund law which requires the permanent maintenance of an insolvency fund (to which companies contribute) with a statutory $200 million ceiling. The other jurisdictions have set up insurance guaranty associations through which solvent companies pay assessments as needed, on a proportionate basis.

From the inception of the post-assessment funds in 1969 through December 1981, the associations have assessed insurers more than $332 million to cover the insolvencies of 67 property and casualty insurance companies, including five which failed in 1981.

The figures do not include assessments made under New York's pre-assessment insolvency fund nor payments made by individual companies under the insolvency provision of the uninsured motorist endorsement to auto insurance policies. They also do not take into consideration recoupments available in some states through premium tax offsets and policyholder surcharges.

Guaranty Fund Assessments by State, 1969-1981

State	Amount Assessed All Companies	State	Amount Assessed All Companies
[illegible]	$ 24,600	[illegible]	$ 3,231,077
[illegible]	2,072,825	[illegible]	2,641,795
[illegible]	3,553,000	[illegible]	580,000
[illegible]	199,447	[illegible]	9,982,636
[illegible]	98,861,957	[illegible]	900,389
[illegible]	2,082,508	[illegible]	1,000,080
[illegible]	4,310,861	[illegible]	7,017
[illegible]	239,723	[illegible]	9,009,650
[illegible]	292,083	[illegible]	196,883
[illegible]	79,953,761	[illegible]	747,288
[illegible]	7,196,514	[illegible]	16,311,328
[illegible]	1,194,940	[illegible]	746,346
[illegible]	133,151	[illegible]	1,081,401
[illegible]	19,598,976	[illegible]	152,588
[illegible]	994,434	[illegible]	700,396
[illegible]	2,450,563	[illegible]	7,382,241
[illegible]	348,568	[illegible]	120,182
[illegible]	2,179,457	[illegible]	173,547
[illegible]	5,819,586	[illegible]	629,429
[illegible]	286,914	[illegible]	2,341,710
[illegible]	3,050,162	[illegible]	780,160
[illegible]	14,451,292	[illegible]	2,427,014
[illegible]	10,170,341	[illegible]	98,110
[illegible]	5,640,628	[illegible]	1,040,000
[illegible]	1,829,266		
[illegible]	2,255,005	[illegible]	$332,288,926
[illegible]	817,097		

Source: National Committee on Insurance Guaranty Funds.

3 Shared Markets

THE AUTOMOBILE SHARED MARKET

Every state has established a mechanism to provide coverage for drivers who, for whatever reason, are unable to obtain insurance in the voluntary market. The first of the shared market mechanisms was established in New Hampshire in 1938. Today, all 50 states use one of four systems to guarantee the availability of auto insurance.

- Automobile Insurance Plan—Auto insurance applicants unable to obtain coverage in the competitive market are distributed to insurance companies in proportion to the amount of business each insurer writes voluntarily in the state. Each insurer services the policyholders as it services other customers.
- Joint Underwriting Association—JUAs are pooling mechanisms where all companies share in the profits and losses as well as expenses incurred. Agents submit applications to several companies which have agreed to issue and service policies.
- Reinsurance Facility—Under this pooling system, each auto insurer is required to provide coverage and service the claims for any applicant, but is permitted to transfer a percentage of its policies to the facility. Profits or losses are shared by all insurers licensed in the state.
- State Fund—Maryland established a state funded mechanism in 1973. Private insurers don't participate directly in the Maryland Automobile Insurance Fund, but are required by law to subsidize any losses from the operation, with the cost being charged back against their own policyholders.

Although only a small percentage of cars is insured through the shared market, many of the mechanisms have been loss producers for a number of years. The Automobile Insurance Plans Service Office (AIPSO), which gathers statistics and provides services for most of the jurisdictions, estimates that total shared market underwriting losses in 1981 topped $1 billion. AIPSO places shared market underwriting deficits at $4.6 billion for the nine-year period 1973-1981. The New Jersey Automobile Insurance Plan and the Massachusetts Facility accounted for $2.7 billion, or 57 percent, of the losses during that nine-year period.

AIPSO data show an 8.2 percent drop from 1980 to 1981 in the number of private passenger vehicles insured through the shared market mechanisms. In 1980, about 6.6 percent of all insured autos were insured through the shared market. State by state data are tabulated on the next page.

Private Passenger Cars Insured Throuth the Voluntary Market and Shared Market Mechanisms (Written Car Years)

State	Insured in Voluntary Market, 1980	Insured in Shared Market, 1980	% of Insured Autos in Shared Market, 1980	Insured in Shared Market, 1981	% Change, No. of Autos in Shared Market, 1980-1981
[illegible]	1,586,144	11,448	0.72	9,281	– 18.9
[illegible]	133,331	3,564	2.67	2,627	– 26.3
[illegible]	1,232,664	1,219	0.10	934	– 23.4
[illegible]	985,915	5,396	0.55	4,174	– 22.7
[illegible]	10,817,493	221,209	2.04	213,233	– 3.6
[illegible]	1,623,205	723	0.04	772	+ 6.8
[illegible]	1,425,259	230,647	16.18	205,783	– 10.8
[illegible]	296,025	31,906	10.71	28,204	– 11.6
[illegible]	145,616	3,073	2.11	2,602	– 15.3
[illegible]	4,194,179	316,478	7.55	199,769	– 36.9
[illegible]	2,503,710	115,511	4.61	69,802	– 39.6
[illegible]	434,724	5,604	1.29	4,734	– 15.5
[illegible]	559,191	460	0.08	349	– 2.41
[illegible]	4,967,609	24,519	0.49	11,571	– 52.8
[illegible]	2,615,326	3,748	0.14	1,862	– 50.3
[illegible]	1,663,432	1,760	0.10	1,281	– 27.2
[illegible]	1,474,480	61,984	4.20	50,576	– 18.4
[illegible]	1,726,105	27,398	1.59	21,704	– 20.8
[illegible]	1,528,353	180,047	11.78	121,736	– 31.4
[illegible]	455,744	16,906	3.71	11,106	– 34.3
[illegible]	2,075,849	88,037	4.24	59,947	– 31.9
[illegible]	1,620,565	908,253	56.05	990,607	+ 9.1
[illegible]	4,591,074	94,976	2.07	60,581	– 36.2
[illegible]	2,234,155	30,317	1.36	17,728	– 41.5
[illegible]	889,842	16,932	1.90	12,860	– 24.1
[illegible]	2,445,639	17,383	0.71	8,042	– 53.7
[illegible]	495,981	593	0.12	447	– 24.6
[illegible]	903,683	998	0.11	916	– 8.2
[illegible]	478,736	1,110	0.23	697	– 37.2
[illegible]	345,545	97,169	30.72	111,945*	+ 15.2
[illegible]	2,339,522	1,317,461	56.31	1,373,637	+ 4.3
[illegible]	551,366	972	0.18	874	– 10.1
[illegible]	5,434,588	884,692	16.28	815,283	– 7.9
[illegible]	2,338,378	682,060	29.17	647,957*	– 5.0
[illegible]	417,428	1,638	0.4	1,242	– 24.2
[illegible]	5,211,135	3,664	0.07	2,039	– 44.4
[illegible]	1,525,389	2,756	0.18	2,449	– 11.1
[illegible]	1,515,104	863	0.06	603	– 30.1
[illegible]	5,336,549	283,950	5.32	205,565	– 27.6
[illegible]	349,482	30,331	8.68	32,757	+ 8.0
[illegible]	1,143,419	285,358	24.96	258,266	– 9.5
[illegible]	400,186	508	0.13	686	+ 35.0
[illegible]	2,007,779	53,889	2.68	37,298	– 30.8
[illegible]	5,432,185	247,464	4.56	209,187	– 15.5
[illegible]	715,832	94	0.01	38	– 59.6
[illegible]	220,432	9,708	4.40	9,553	– 1.6
[illegible]	2,577,231	196,081	7.61	168,640	– 14.0
[illegible]	2,216,825	19,495	0.88	16,248	– 16.7
[illegible]	823,514	9,489	1.15	12,908	+ 36.0
[illegible]	2,311,174	3,824	0.17	2,958	– 22.7
[illegible]	282,405	614	0.22	561	– 8.6
[illegible]	99,601,497	6,563,269	6.59	6,024,619	– 8.2

**Preliminary estimate.*

Source: Automobile Insurance Plans Service Office.

INSURANCE THROUGH FAIR, WINDSTORM PLANS

Until the late 1960s, property owners in the nation's deteriorated inner cities and other high-risk areas often had difficulty obtaining insurance because of abnormal exposure to threatening hazards over which they had no control.

To make property insurance coverages more readily available in such areas, insurance companies now operate special property insurance plans in 31 states, the District of Columbia and Puerto Rico. These facilities include 28 Fair Access to Insurance Requirements (FAIR) Plans which provide insurance to property owners in inner city and other high-risk areas, and beach and windstorm plans which operate in seven states along the Atlantic and Gulf Coasts where vulnerability to severe windstorm damage is especially high.

During 1981, FAIR plans in the 27 jurisdictions from which data were available issued 938,568 policies, 18.2 percent of them to new applicants. FAIR plans sustained statutory underwriting losses of $73.1 million in 1981, a decrease of 4.7 percent from 1980. Coverage of commercial properties decreased 21 percent in 1980 and accounted for 45.6 percent of the $189.7 million in premiums written in 1981. Residential premiums rose 2.4 percent. At the end of the year, the 24 plans from which data were available were providing about $35.7 billion of coverage.

The number of policies issued by the seven beach and windstorm plans in 1981 represented an increase of 1.2 percent over the number issued in 1980. However, the amount of insurance in force, more than $5.6 billion, was 9.1 percent higher than the total at the end of 1980. A total statutory underwriting loss of $13.5 million was reported for 1981, a 185.6 percent increase over 1980.

Insurance Provided by FAIR Plans

State	Applications, 1981 New	Applications, 1981 Renewal	Binders or Policies Issued, 1981 New	Binders or Policies Issued, 1981 Renewal	Insurance in Force 12/31/81 (000 omitted)
[illegible]	32,974	105,129	16,367	104,311	[illegible]
[illegible]	5,111	8,361	2,391	6,341	[illegible]
[illegible]	1,061	3,674	605	3,000	[illegible]
[illegible]	2,927	10,370	1,101	9,362	[illegible]
[illegible]	2,163	4,566	978	4,207	[illegible]
[illegible]	11,760	57,153	6,705	55,839	[illegible]
[illegible]	679	3,210	415	3,096	[illegible]
[illegible]	481	1,132	229	1,127	[illegible]
[illegible]	3,135	7,913	2,991	7,908	[illegible]

Insurance Through FAIR, Windstorm Plans (continued)

State	Applications, 1981 New	Applications, 1981 Renewal	Binders or Policies Issued, 1981 New	Binders or Policies Issued, 1981 Renewal	Insurance in Force 12/31/81 (000 omitted)
Kentucky	3,285	12,743	3,139	11,238	$ 235,000
Louisiana	865	3,016	318	2,959	*
Maryland	6,786	28,358	5,146	24,963	496,722
Massachusetts	31,578	83,626	21,317	65,234	2,223,379
Michigan	32,244	141,056	29,934	131,665	5,187,515
Minnesota	605	1,478	366	1,407	71,306
Missouri	10,531	28,597	3,127	28,258	483,036
New Jersey	22,857	74,888	13,025	64,722	5,436,553
New Mexico	952	1,189	690	990	11,616
New York	22,547	81,683	23,801	81,683	4,474,796
North Carolina	5,087	11,506	1,822	10,570	341,267
Ohio	5,184	25,718	4,621	25,108	361,075
Oregon	*	*	1,482	3,286	*
Pennsylvania	28,062	106,880	17,903	87,414	2,389,750
Puerto Rico	*	*	*	*	*
Rhode Island	4,932	11,598	3,709	9,052	328,104
Virginia	7,036	13,447	3,456	12,313	318,700
Washington	62	914	31	912	50,440
Wisconsin	4,942	10,972	4,962	10,972	287,735
Total	247,849	839,177	170,631	767,937	$25,653,294

**Not Available.*

Source: Property Insurance Plans Service Office.

Insurance Provided by Beach and Windstorm Plans

State	Applications, 1981 New	Applications, 1981 Renewal	Binders or Policies Issued, 1981 New	Binders or Policies Issued, 1981 Renewal	Insurance in Force 12/31/81 (000 omitted)
Alabama	699	2,012	655	2,010	$ 114,903
Florida	10,967	29,110	7,630	24,162	2,464,234
Louisiana	1,698	*	8,353	+	197,960
Mississippi	1,156	5,482	1,015	5,587	133,647
North Carolina	1,531	5,547	1,230	5,098	346,755
South Carolina	1,318	3,672	1,053	3,242	251,037
Texas	57,045	+	40,954	+	2,105,244
Total	74,414	45,823	60,890	40,099	$5,613,980

**Not Available.*

+ Included with New.

Source: Property Insurance Plans Service Office.

FLOOD INSURANCE IN THE U.S.

Flood insurance is available is every state, Puerto Rico, Guam and the Virgin Islands under a program developed jointly by the insurance business and the Federal Insurance Administration. The program is now administered solely by the FIA.

As of Dec. 31, 1981, there were 1,864,949 flood insurance policies in force. The amount of coverage in force was more than $99 billion. Premiums written totaled about $211 million.

An estimated 20,000 locations across the country are considered to be flood-prone. Under the Flood Disaster Protection Act of 1973, communities which are formally notified of their eligibility by the FIA have 12 months in which to agree to participate in the program and to take steps to minimize future flood damage. Residents of flood-prone communities which fail to participate and property owners who fail to purchase available flood insurance are ineligible for federal flood disaster assistance. More than 17,000 communities had qualified for the coverage as of Dec. 31, 1981.

Flood Insurance in the U.S.*

State	No. of Communities	Policies in Force			Insurance in Force (000 omitted)		
		Dwelling	Business and Other	Total	Dwelling	Business and Other	Total**
[illegible]	268	13,202	2,434	15,636	550,060	192,310	[illegible]
[illegible]aska	19	3,320	272	3,592	164,050	27,479	191,529
[illegible]zona	80	21,158	2,145	23,303	967,733	164,322	1,132,055
[illegible]kansas	296	4,954	934	5,888	142,781	50,263	193,044
[illegible]ifornia	426	80,523	7,100	87,623	4,132,880	556,467	[illegible]
[illegible]olorado	198	6,743	16,170	8,413	295,462	143,731	439,193
[illegible]nnecticut	180	11,400	2,324	13,764	514,669	186,072	700,741
[illegible]elaware	41	4,037	488	4,525	236,892	47,083	283,975
[illegible]istrict of Columbia	1	22	31	53	725	2,646	3,371
[illegible]lorida	354	425,408	86,957	512,365	24,759,922	6,264,262	[illegible]
[illegible]eorgia	291	12,907	1,086	13,993	549,062	74,433	623,495
[illegible]awaii	4	4,566	1,564	6,130	251,699	150,299	401,998
[illegible]aho	134	1,820	198	2,018	61,632	11,517	73,149
[illegible]inois	712	21,068	2,492	23,560	623,925	136,075	760,000
[illegible]diana	332	9,822	999	10,821	279,050	48,645	327,695
[illegible]wa	359	6,583	815	7,398	175,204	49,613	224,817
[illegible]nsas	298	6,500	931	7,431	184,071	50,381	234,452
[illegible]entucky	232	15,727	3,088	18,815	476,786	194,974	671,760
[illegible]uisiana	260	203,506	16,901	220,407	10,167,043	1,369,451	11,536,494
[illegible]aine	951	4,094	1,057	5,151	118,644	48,749	167,393

As of Dec. 31, 1981.

**Some totals do not balance because of rounding.*

Source: Federal Insurance Administration.

Flood Insurance in the U S. (continued)

State	No. of Communities	Policies in Force Dwelling	Policies in Force Business and Other	Policies in Force Total	Insurance in Force (000 omitted) Dwelling	Insurance in Force (000 omitted) Business and Other	Insurance in Force (000 omitted) Total**
Maryland	109	11,491	2,656	14,147	459,687	250,906	710,5[illegible]
Massachusetts	318	21,700	3,421	25,121	815,048	236,420	1,051,4[illegible]
Michigan	497	10,357	956	11,313	330,270	55,525	385,7[illegible]
Minnesota	452	6,329	1,010	7,339	192,563	73,277	265,8[illegible]
Mississippi	258	30,775	4,487	35,262	1,225,036	321,693	1,546,7[illegible]
Missouri	449	11,360	2,418	13,778	296,146	135,119	431,2[illegible]
Montana	97	2,284	254	2,538	76,404	10,752	87,1[illegible]
Nebraska	263	7,075	729	7,804	231,017	54,465	285,4[illegible]
Nevada	21	6,285	286	6,571	234,726	22,930	257,6[illegible]
New Hampshire	162	2,263	610	2,873	65,667	35,091	100,7[illegible]
New Jersey	541	78,526	9,302	87,828	3,949,172	700,037	4,649,2[illegible]
New Mexico	68	4,342	305	4,647	146,243	20,679	166,9[illegible]
New York	1,429	72,511	8,139	80,650	2,476,581	438,628	2,915,2[illegible]
North Carolina	309	21,039	3,375	24,414	949,779	228,663	1,178,4[illegible]
North Dakota	195	5,764	539	6,303	174,850	29,865	204,7[illegible]
Ohio	655	16,510	3,515	20,025	439,674	176,373	616,0[illegible]
Oklahoma	289	9,135	1,199	10,334	400,954	87,161	488,1[illegible]
Oregon	251	5,511	800	6,311	216,499	52,775	269,2[illegible]
Pennsylvania	2,406	62,856	16,150	79,006	1,719,699	1,029,734	2,749,4[illegible]
Rhode Island	39	6,054	1,269	7,323	258,911	114,487	373,3[illegible]
South Carolina	166	23,089	2,726	25,815	1,432,801	269,974	1,702,7[illegible]
South Dakota	98	962	206	1,168	27,043	15,611	42,6[illegible]
Tennessee	201	4,633	1,333	5,966	142,042	74,621	216,6[illegible]
Texas	753	264,977	30,319	295,296	17,508,640	2,566,094	20,074,7[illegible]
Utah	168	2,155	208	2,363	70,335	14,466	84,8[illegible]
Vermont	222	1,694	673	2,367	44,116	29,675	73,7[illegible]
Virginia	248	23,713	3,421	27,134	1,256,251	275,988	1,532,2[illegible]
Washington	239	13,937	2,427	16,364	716,599	224,896	941,4[illegible]
West Virginia	264	15,684	3,182	18,866	393,348	156,961	550,3[illegible]
Wisconsin	485	5,439	795	6,234	155,563	44,253	199,8[illegible]
Wyoming	54	889	147	1,036	39,558	12,586	52,1[illegible]
Guam	1	24	—	24	592		5[illegible]
Puerto Rico	1	13,890	1,670	15,560	231,314	77,630	308,9[illegible]
Virgin Islands	1	1,493	790	2,283	44,134	37,430	81,5[illegible]
Total	17,146	1,622,146	242,803	1,864,949	81,373,550	17,643,524	99,017,0[illegible]

**As of Dec. 31, 1981.*

***Some totals do not balance because of rounding.*

Source: Federal Insurance Administration.

FEDERAL CRIME INSURANCE

The Federal Crime Insurance Program, established by Congress in 1970, began operation Aug. 1, 1971. It is administered by the federal insurance administrator, who is authorized to make federal crime insurance policies available in states in which that official perceives an availability problem. Policies, offered to both individuals and businesses, cover losses due to burglary and robbery.

Private insurers and statistical reporting companies act as servicing agents in participating states. Policies are sold through licensed property insurance agents and brokers.

In 1981, 27 states, the District of Columbia, Puerto Rico and the Virgin Islands were participating in the program. The Federal Insurance Administration reported that from the end of 1980 to year-end 1981 the number of policies in force decreased nearly 15 percent from 83,163 to 70,741. The amount of coverage in force decreased 51 percent from $1.18 billion to $576.3 million.

Federal Crime Insurance, 1981

State	Policies in Force at Year End			Insurance in Force at Year End (000)		
	Residential	Commercial	Total	Residential	Commercial	Total
Alabama	641	82	723	$ 4,349	$ 486	$ 4,835
Arkansas	92	40	132	519	192	711
California	1,405	361	1,766	11,189	3,885	15,074
Colorado	73	104	177	526	651	1,177
Connecticut	274	119	393	1,838	934	2,772
Delaware	120	24	144	592	125	717
District of Columbia	133	287	420	936	2,937	3,873
Florida	2,955	1,176	4,131	24,649	13,249	37,898
Georgia	472	349	821	3,351	3,130	6,481
Illinois	890	740	1,630	6,339	6,883	13,222
Iowa	9	6	15	64	87	151
Kansas	516	62	578	2,652	438	3,090
Louisiana	1	0	1	10	0	10
Maryland	168	348	516	1,200	3,527	4,727
Massachusetts	1,935	899	2,834	11,010	8,070	19,080
Minnesota	44	11	55	245	79	324
Missouri	1,554	437	1,991	9,441	2,835	12,276
New Jersey	2,095	742	2,837	15,186	8,317	23,503
New Mexico	18	7	25	144	54	198
New York	29,595	11,529	41,124	229,628	123,960	353,588
North Carolina	688	50	688	3,583	367	3,950
Ohio	590	430	1,020	3,331	3,046	6,377
Pennsylvania	3,420	1,705	5,125	20,696	13,219	33,915
Rhode Island	275	90	365	1,301	701	2,002
Tennessee	268	369	637	1,633	1,954	3,587
Virginia	118	56	174	721	439	1,160
Washington	15	4	19	101	44	145
Wisconsin	29	15	44	217	139	356
Puerto Rico	1,458	818	2,276	12,203	8,095	20,298
Virgin Islands	39	41	80	305	452	757
United States	49,840	20,901	70,741	$367,959	$208,295	$576,254

Source: Federal Insurance Administration, Crime Insurance Statistical Report.

TRENDS IN COSTS OF GOODS, SERVICES AND INSURANCE

The cost of insurance is influenced heavily by the costs of the materials and services for which property and casualty insurers must pay in meeting their obligations to their policyholders. Tabulated below are indices showing the trends of costs of auto and property insurance and of typical factors which affect insurance claims. The cost of living index for all items rose 10.4 percent from 1980 to 1981.

Price Indices for Selected Items, 1967-1981
(Base: 1967 = 100)

Year	Cost of Living (all items)	Medical Care Items	Hospital Rooms	Physicians' Fees	Auto Repairs and Maintenance*	Auto Insurance Premiums
1967	100.0	100.0	100.0	100.0	100.0	100.0
1970	116.3	120.6	145.4	121.4	120.6	126.7
1974	137.7	150.5	201.5	150.9	156.8	138.1
1975	161.2	168.6	236.1	169.4	176.6	145.9
1976	170.5	184.7	268.6	188.5	189.7	187.9
1977	181.5	202.4	299.5	206.0	203.7	210.5
1978	195.4	219.4	332.4	223.1	220.6	216.6
1979	217.4	239.7	370.3	243.6	242.6	228.7
1980	246.8	265.9	418.9	269.3	268.3	247.4
1981	272.4	294.5	481.1	299.0	293.6	259.0

Year	Home Ownership	House Maintenance and Repairs	House Furnishings	Private Residential Construction Costs	Private Non-residential Construction Costs	Property Insurance Premiums**
1967	100.0	100.0	100.0	100.0	100.0	100.0
1970	128.5	124.0	113.4	115.9	126.9	140.1
1974	163.2	171.6	130.8	158.9	186.8	174.9
1975	181.7	187.6	144.4	173.6	198.0	201.4
1976	191.7	199.6	150.7	187.1	198.6	226.5
1977	204.9	214.7	156.5	210.1	211.2	256.7
1978	227.2	233.0	154.3	240.9	237.3	282.5
1979	262.4	256.4	163.1	273.0	276.0	309.9
1980	314.0	285.7	174.2	300.1	311.1	343.7
1981	352.7	314.4	185.2	324.3	324.6	384.4

**The cost of auto crash replacement is not reflected in this index, which includes prices for water pump replacement, motor tune-up, automatic transmission repair, front end alignment and chassis lubrication. The trend in the cost of parts commonly used to repair auto crash damage is reflected in an index developed by State Farm Mutual Automobile Insurance Company, which indicates an increase in the index from 100.0 on Jan. 1, 1976 to 188.0 on Jan. 1, 1982.*

***The U.S. Bureau of Labor Statistics late in 1979 altered drastically its consumer price index for property insurance. The reconstructed index, based on the year 1967 equaling 100, combines changes in personal property insurance rates (homeowners and fire and extended coverage) with changes in the value of houses being insured. Trends in property insurance rates no longer are tracked separately. The separate property insurance index was lagging considerably behind the all items index when the change was made in September 1979.*

Source: Construction cost data, compiled by Insurance Information Institute from data provided by the U.S. Department of Commerce, Bureau of the Census; other data, U.S. Department of Labor, Bureau of Labor Statistics.

COST OF OPERATING AN AUTOMOBILE

Americans are holding on to their cars an average of 6.6 years, longer than any other time since World War II, according to the Federal Highway Administration. A 1982 study estimates that an American intermediate-size sedan costs over $7,000. If it is driven 72,100 miles over a period of six years, the total cost to the owner will be $17,898. This includes $4,626 for gasoline, $3,138 for maintenance and repairs and $2,455 for insurance.

The FHA's analysis of the costs of operating an automobile in the table below assumes each vehicle is driven 120,000 miles during a 12-year period. Five American 1981-model vehicles were chosen, and cost figures were computed for suburban Baltimore, Md. Auto insurance coverages include $20,000/$40,000 bodily injury, $10,000 property damage, $2,500 personal injury protection, $20,000/$40,000/$10,000 uninsured motorist, $50 deductible comprehensive for 12 years, and $100 deductible collision coverage for the first five years.

Cost of Operating Automobiles and Vans, 1982
Cents Per Mile

	Vehicle Cost Depreciated	Maintenance Accessories Parts & Tires	Gas* & Oil (Exc. Taxes)	Parking & Tolls	Insurance	State & Federal Taxes	Total Cost Per Mile
Large	7.7	6.0	7.3	0.8	3.3	1.5	26.6
Intermediate	6.2	5.6	6.6	0.8	3.3	1.3	23.8
Compact	5.9	5.0	5.3	0.8	3.3	1.1	21.4
Subcompact	4.7	4.8	4.5	0.8	3.1	1.0	18.9
Passenger Van	10.7	7.2	8.9	0.8	4.4	1.9	33.2

$1.35 per gallon

Source: Federal Highway Administration, U.S. Department of Transportation.

INSURANCE IN HOME OWNERSHIP

While the cost of owning and maintaining a home has risen sharply in recent years, the cost of insurance has been a relatively minor contributing factor. A 1982 study by the U.S. League of Savings Associations of the impact of inflation on home ownership found that the cost of insurance represented only 2.5 percent of the median monthly housing expense in 1981, down from 2.9 percent in 1979.

Composition of Median Monthly Housing Expense

Item	1981	1979	1979-1981 Increase	Percentage of Total Increase
Mortgage payment	$624	$401	$223	83.8%
Real estate taxes	72	58	14	5.3%
Utilities	100	75	25	9.4%
Hazard insurance	20	16	4	1.5%
Total	$816	$550	$266	100.0%

Source: U.S. League of Savings Associations.

PERSONAL INJURY LAWSUITS

The frequency of lawsuits and the average size of court settlements, including jury verdicts, have a significant impact on the cost of liability insurance.

Jury Verdict Research Inc. (JVR) reported a 24.5 percent increase from 1979 to 1980 in the average size of verdicts awarded for four common injuries—cervical strain, knee injuries, vertebrae fractures and wrongful death of adult males. The increase was the largest recorded in a single year. It was also more than two times greater than the 10.6 percent increase in the Consumer Price Index for the same period. In 1980, the latest year for which complete data were available, average verdicts were $8,418 in cervical strain cases, $43,064 for knee injuries, $78,935 for vertebrae fractures and $466,262 in wrongful death cases.

JVR also has maintained records of million-dollar verdicts since the first one was rendered in 1962. The number of these awards has risen steadily to a record 94 in 1980. Including the available data for 1981, JVR's files contain records of 536 million-dollar verdicts. Product liability suits accounted for the largest number, 140, followed by malpractice actions, 91, automobile accidents, 62, and work accidents, 58.

More million-dollar verdicts have been rendered in California than in any other state, according to JVR's records. The 92 million-dollar verdicts in California represent 17 percent of all such verdicts on file. Florida and New York follow, with 74 million-dollar verdicts each.

JVR also reported that the size and number of product liability and medical malpractice awards generally have increased over the years. From 1971 through 1980, the average size of product liability verdicts, including million-dollar awards, ranged from a low of $195,020 in 1971 to $1,657,187 in 1978, followed by a drop to $563,438 in 1980. Medical malpractice verdicts ranged from a low of $166,165 in 1974 to a high of $419,372 in 1978. The 1980 average was $404,726. JVR points out that less than half of malpractice and product liability cases result in a plaintiff verdict when tried by a jury. The overall recovery rate for plaintiffs in all types of liability situations is 57 percent.

An annual compilation by the Pacific Coast regional office of the Insurance Information Institute tracks product liability and medical malpractice verdicts awarded in California Superior Courts. In product liability cases, the average award in 1981 was $351,515, about 12 percent lower than the 1980 average of $398,823. In medical malpractice cases, the average plaintiff award rose to a record high of $395,163 in 1981, a 28 percent increase from $308,682 in 1980.

A more comprehensive reflection of the tendency of Americans to sue is contained in annual state-by-state compilations by the Administrative Office of the U.S. Courts of product liability lawsuits filed in federal courts. The number of product liability filings decreased 1.4 per-

cent, from 9,071 in fiscal 1981 to 8,994 in fiscal 1982. About 88 percent of the cases involved personal injury, 5 percent were property damage filings and 6 percent were contract actions. The decrease in fiscal 1982 followed increases of 17 percent in 1981, 26.5 percent in 1980, 40.3 percent in 1979, 7.2 percent in 1978, 10.3 percent in 1977 and 28.1 percent in 1976.

The number of medical malpractice personal injury cases filed in U.S. District Courts increased for the fourth straight year. The 997 cases commenced in fiscal 1982 represented a 9 percent increase over the 915 cases commenced in 1981.

Product Liability Cases Commenced in Federal District Courts, 1981-1982

State	Fiscal 1982*	Fiscal 1981*	% Change	State	Fiscal 1982*	Fiscal 1981*	% Change
Ala.	110	127	– 13.4	Nev.	34	16	+ 112.1
Alaska	21	19	+ 10.5	N.H.	83	92	– 9.8
Ariz.	56	30	+ 86.7	N.J.	210	175	+ 20.0
Ark.	117	102	+ 14.7	N.M.	27	57	– 52.6
Calif.	357	403	– 11.4	N.Y.	474	549	– 13.7
Colo.	101	116	– 12.9	N.C.	63	61	+ 3.3
Conn.	229	166	+ 38.0	N.D.	21	21	0
Del.	11	18	– 38.9	Ohio	474	255	+ 85.9
D.C.	166	318	– 47.8	Okla.	200	178	+ 12.4
Fla.	189	210	– 10.0	Ore.	82	98	– 16.3
Ga.	191	215	– 11.2	Pa.	654	626	+ 4.5
Hawaii	25	76	– 67.1	R.I.	53	43	+ 23.3
Idaho	35	21	+ 66.7	S.C.	225	312	– 27.9
Ill.	220	233	– 5.6	S.D.	37	30	+ 23.3
Ind.	172	178	– 3.4	Tenn.	198	232	– 14.7
Iowa	83	66	+ 25.8	Texas	1,039	745	+ 39.5
Kan.	161	354	– 54.5	Utah	38	37	+ 2.7
Ky.	92	79	+ 16.5	Vt.	17	26	– 34.6
La.	349	382	– 8.6	Va.	217	207	+ 4.8
Maine	56	109	– 48.6	Wash.	135	115	+ 17.4
Md.	125	182	– 31.3	W. Va.	60	64	– 6.3
Mass.	440	333	+ 32.1	Wis.	87	60	+ 45.0
Mich.	465	406	+ 14.5	Wyo.	25	14	+ 78.6
Minn.	147	298	– 50.7	Guam	0	1	– 100.0
Miss.	308	330	– 6.7	P.R.	14	20	– 30.0
Mo.	156	156	0	V.I.	16	14	+ 14.3
Mont.	42	42	0	Total	8,944	9,071	– 1.4
Neb.	37	54	– 31.5				

**Twelve month period ended June 30.*

Source: Prepared by the Insurance Information Institute based on the 1982 Annual Report of the Administrative Office of the U.S. Courts.

HEALTH CARE COSTS

Of every $10 Americans spent in 1981, $1 went toward the payment of health care, according to the Department of Health and Human Services. The national health expenditure of $287 billion was 9.8 percent of the gross national product. Health care costs increased 15.1 percent in 1981. Health outlays per person rose from $1,075 in 1980 to $1,225 in 1981. Inflation caused 75 percent of the 1981 increase. According to HHS, other contributing factors were population shifts and greater use of doctors, hospitals, medical tests and just about everything connected with health care. A major factor in the increase was the 17.5 percent rise in hospital costs.

The average rate for a semiprivate room in the United States was $165.09 as of January 1982, a 15.3 percent increase over the January 1981 figure of $143.18, according to a survey by the Health Insurance Association of America. A total of 3,010 hospitals contributed data to the survey. State average rates ranged from $92.94 in Mississippi to $233.42 in the District of Columbia.

Hospital Semiprivate Room Rates*, January 1982

Alabama	$123.81	Montana	$150.26
Alaska	214.95	Nebraska	132.98
Arizona	144.88	Nevada	168.72
Arkansas	114.19	New Hampshire	166.77
California	215.54	New Jersey	170.92
Colorado	166.99	New Mexico	152.21
Connecticut	161.57	New York	187.13
Delaware	171.63	North Carolina	110.11
District of Columbia	233.42	North Dakota	122.40
Florida	139.31	Ohio	179.83
Georgia	122.91	Oklahoma	132.40
Hawaii	175.83	Oregon	179.71
Idaho	150.23	Pennsylvania	186.31
Illinois	190.28	Puerto Rico	92.12
Indiana	145.94	Rhode Island	166.49
Iowa	138.76	South Carolina	106.27
Kansas	140.08	South Dakota	130.12
Kentucky	127.84	Tennessee	110.39
Louisiana	114.01	Texas	118.62
Maine	159.60	Utah	145.76
Maryland	147.87	Vermont	167.47
Massachusetts	179.78	Virginia	131.32
Michigan	184.28	Washington	172.24
Minnesota	145.11	West Virginia	136.58
Mississippi	92.94	Wisconsin	144.84
Missouri	144.72	Wyoming	129.56

**Data apply to medical-surgical semiprivate accommodations and excludes pediatric, intensive care, cardiac care, extended care, self-care, psychiatric and tuberculosis beds.*

Source: Health Insurance Association of America

6 Losses by Category

FIRE LOSSES

Fire losses in the United States increased slightly in 1981. The estimated total of $5.6 billion was 0.8 percent higher than the 1980 figure. The per capita fire loss decreased slightly from $24.56 to $24.53. While the trend of fire losses has been generally upward over the years, the ratio of such losses to the aggregate value of property subject to such losses has been declining for many years as a result of countrywide fire prevention efforts.

**U.S. Fire Losses*
1875-1981**

Year	Property Loss	Loss Per Capita	Year	Property Loss	Loss Per Capita
1875	$ 78,102,000	$1.73	1920	$ 648,909,000	$ 4.27
1880	74,643,000	1.49	1950	1,107,824,000	6.16
1890	108,994,000	1.73	1970	2,328,000,000	11.41
1900	160,930,000	2.12	1977	3,764,000,000	17.13
1910	214,003,000	2.32	1978	4,008,000,000	18.05
1920	447,887,000	4.21	1979	4,851,000,000	21.60
1930	501,981,000	4.08	1980	5,579,000,000	24.56
1940	286,491,000	2.16	1981	5,625,000,000	24.53

**Including allowances for uninsured and unreported losses.*

Source: Insurance Services Office.

FIRE FATALITIES

Fire deaths in the United States declined by about 11 percent in 1981, to an estimated 4,900 from the 1980 toll of 5,500, according to a National Safety Council estimate. The Council said approximately 4,000 or 82 percent of the victims perished in residential fires.

Highest death rate by fire is among persons 65 years of age and older. The death rate among children under 5 years of age is the second highest. The fatality rate for the older group declined in 1981 for the fifth consecutive year, according to the National Safety Council. Rates shown below are deaths per 100,000 population in each age group resulting from burns, asphyxiation or being struck by falling objects during fires.

Fire Deaths per 100,000

Ages	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981
0-4	5.0	5.1	4.8	4.7	5.0	5.0	5.0	4.8	4.3	3.9
5-14	1.6	1.3	1.5	1.5	1.6	1.5	1.7	1.5	1.1	0.8
15-24	1.2	1.3	1.3	1.5	1.4	1.5	1.3	1.3	1.4	1.2
25-44	2.0	2.0	1.8	1.8	1.7	1.9	1.8	1.8	1.7	1.5
45-64	4.1	4.0	3.7	3.7	3.5	3.4	3.2	3.1	2.6	2.2
65 and over	9.7	9.6	9.3	9.5	9.1	9.0	9.1	8.4	8.1	8.1

Source: National Safety Council.

LEADING CAUSES OF FIRES

Heating equipment, especially wood-burning stoves and fireplaces, were the leading cause of residential fires in 1981, according to the Federal Emergency Management Agency. The highest number of residential fire deaths, however, occurred in fires caused by cigarette smoking. Cooking fires caused the most injuries, and incendiary or suspected incendiary fires caused the highest dollar losses. FEMA notes that the number of heating fires has increased 43 percent since 1977, while smoking fires have decreased 23 percent, electrical distribution fires 21 percent, and cooking fires 12 percent.

Non-residential fires in structures, including schools, restaurants, garages and manufacturing plants, claimed only about 10 percent of fire incidents in 1981 but accounted for 45 percent of dollar losses. Arson continues to be the primary cause of non-residential fires and dollar losses, and along with smoking, a major cause of non-residential deaths. FEMA's analysis attributes 29.5 percent of all non-residential fires and 42.3 percent of all dollar losses from non-residential fires to incendiarism or suspected incendiarism.

FEMA's analysis is based on fire data collected from 33 states through the National Fire Incident Reporting System and also from the National Fire Protection Association, the National Center for Health Statistics and other sources.

Causes of Reported Fires
(With Unknowns Allocated)

	Residential				Non-Residential			
	Fires %	Deaths %	Injuries %	Dollar Loss %	Fires %	Deaths %	Injuries %	Dollar Loss %
Heating	26.5	14.1	12.8	18.6	6.6	2.7	6.6	6.0
Cooking	18.1	8.0	21.3	6.7	5.9	0.2	11.6	2.3
Incendiary/Suspicious	12.8	13.0	11.4	21.8	29.5	20.7	17.2	42.3
Smoking	8.9	35.2	19.0	10.3	7.0	20.9	6.2	2.5
Electrical Distribution	7.3	7.8	6.7	16.4	10.9	9.5	8.3	12.6
Appliances	6.2	2.7	5.8	5.8	5.6	1.2	5.3	3.8
Children Playing	5.0	5.2	8.7	4.4	4.4	11.1	3.0	1.0
Other Equipment	5.4	4.5	6.0	5.1	11.1	5.7	21.7	11.0
Exposure	2.7	1.4	0.8	4.5	5.4	1.5	1.6	7.5
Natural	1.3	0.5	0.5	1.6	2.8	2.2	3.1	3.7
Open Flame, Heat	4.7	5.0	5.5	3.8	9.1	16.7	11.2	4.9
Other Flame, Heat	1.1	2.6	1.4	1.0	1.7	7.7	3.1	2.4

Note: Columns of percentages may not total 100 percent because of the effects of rounding.

Sources: Federal Emergency Management Agency, U.S. Fire Administration, National Fire Data Center.

THE ARSON PROBLEM

Incendiary or suspicious fires take hundreds of lives and cause property damage estimated at well over a billion dollars each year. The National Fire Protection Association (NFPA) said that in 1981, some 154,500 fires of incendiary or suspicious origin caused an estimated 820 deaths and property damage of $1.66 billion.

Dollar losses as a result of incendiary and suspicious fires in structures increased dramatically from $1.02 billion in 1977 to a high of $1.76 billion in 1980—an increase of 72.5 percent. The dollar loss figure decreased 5.8 percent from 1980 to 1981. Even when dollar losses are adjusted for inflation, NFPA says the upward trend persisted over the five-year period, with 1980 as the worst year.

Incendiary and Suspicious Fires in Structures, 1981 Estimates

	Fires	Deaths	Direct Dollar Loss
Total Structural Fires of Incendiary and Suspicious Origin	154,500	820	$1,658,000,000
Incendiary and Suspicious Fires as % of Total Structural Fires	15.0%	14.2%	27.7%
% Change from 1980	+5.8%	+6.5%	−5.8%

Source: National Fire Protection Association.

Incendiary and Suspicious Fires by Type of Structure, 1981 Estimates*

	Fires	Deaths	Injuries	Dollar Loss
Residential	12.8%	13.0%	11.4%	21.8%
Public/Mercantile	31.5	30.6	26.3	56.5
Industry, Other	27.4	13.3	9.4	29.2
Total	17.6%	13.5%	13.0%	32.0%

**The Federal Emergency Management Agency's analysis of National Fire Protection Association survey data and 1981 National Fire Incident Reporting System and 1981 Death Certificate Information.*

Source: Federal Emergency Management Agency, U.S. Fire Administration, National Fire Data Center.

STRUCTURAL FIRES

Fires in residential structures accounted for 71.3 percent of structural fires and 82.7 percent of all civilian fire deaths in 1981, according to the National Fire Protection Association. Residential fires also accounted for 54.5 percent of the dollar losses from structural fires, which totaled about $6 billion.

Structural Fires by Types of Use, 1981 Estimates*

Property Use		Estimated Number of Fires	% Change from 1980	% of Structural Fires	% of Dollar Losses**
Public Assembly		28,500	−1.7	2.8	6.0
Educational		19,500	0.0	1.9	3.1
Institutional		27,000	−3.6	2.6	0.6
Residential (total)		733,000	−3.2	71.3	54.5
One-and-Two-Family Dwellings	574,000		−2.8	55.9	45.4
Apartments	137,000		−4.5	13.3	6.9
Hotels and Motels	11,500		0.0	1.1	1.7
Other	10,500		−12.5	1.0	0.5
Stores and Offices		65,500	+5.6	6.4	10.7
Industry, Utility, Defense		49,000	−10.9	4.8	13.0
Storage in Structures		62,000	−5.3	6.0	10.3
Special Structures		43,000	−11.3	4.2	1.8
Total		1,027,500	−3.5		

**Based on data reported to the NFPA by fire departments responding to the 1981 National Fire Experience Survey; adjustments made based on data reported to the NFPA in the Fire Incident Data Organization System.*

***Dollar loss figures represent direct property loss only and not indirect losses such as business interruption or temporary shelter costs.*

Source: National Fire Protection Association estimates.

Civilian Fire Deaths by Property Use, 1981 Estimates

Property Use	Estimated Civilian Deaths	% Change from 1980	% All Civilian Deaths
Residential (total)	5,540	+1.7	82.7
One- and Two-Family Dwellings	4,430	+6.1	66.1
Apartments	970	−5.4	14.5
Hotels and Motels	90	−45.5	1.4
Other Residential	50	−38.2	0.7
Non-Residential Structures	220	−3.9	3.3
Highway Vehicles	770	+18.5	11.5
Other Vehicles	70	−22.2	1.0
All Other Categories	100	+13.6	1.5
Total	6,700	+3.0	

Source: National Fire Protection Association estimates.

MULTIPLE-DEATH FIRES

There have been 22 single fires in the United States in which 100 or more people have perished. The most tragic multiple-death fire since 1970 occurred on May 28, 1977, when 165 people died in a supper club fire in Southgate, Ky.

The greatest number of lives lost in a single fire in 1981 was the 31 deaths resulting from the Beachview Rest Home fire in Keansburg, N.J. Six other fires in 1981 resulted in 10 or more deaths each.

A total of 290 multiple-death fires — those causing three or more deaths — were reported to the National Fire Protection Association (NFPA) by fire departments in 1981. These fires resulted in a total of 1,168 deaths.

According to NFPA, 87.5 percent of 1981 multiple-death fires occurred in residential properties. NFPA notes that the Keansburg fire was one of four multiple-death fires reported in boarding facilities housing individuals with special needs, such as the handicapped, elderly or deinstitutionalized mental patients. These fires resulted in 45 deaths in 1981. NFPA says major fires in similar facilities have occurred with "disturbing regularity" during the last few years.

1981 Fires Resulting in 10 or More Deaths

Boarding facility	Keansburg, N.J.	Jan. 9	31 deaths
Hotel	Chicago, Ill.	March 14	19 deaths
Coal mine	Redstone, Colo.	April 15	15 deaths
Coal mine	Whitwell, Tenn.	Dec. 9	13 deaths
Dwelling	East Saint Louis, Ill.	Jan. 11	11 deaths
Apartment building	Hoboken, N.J.	Oct. 24	11 deaths
Bus (motor home)	Cajon Pass, Calif.	June 26	10 deaths

Source: National Fire Protection Association.

The 10 Worst Multiple-Death Fires in the U.S.

Date	Place	Deaths
Oct. 8, 1871	Peshtigo, Wis., and environs	1,152
June 15, 1904	New York, N.Y., SS General Slocum	1,030
Dec. 30, 1903	Chicago, Ill., Iroquois Theatre	602
Oct. 12, 1918	Cloquet, Minn., and environs	559
April 18, 1906	San Francisco, Calif., earthquake-fire	500
Nov. 28, 1942	Boston, Mass., Cocoanut Grove Night Club	492
Sept. 1, 1894	Hinckley, Minn., and environs	413
June 30, 1900	Hoboken, N.J., North German Lloyd Steamship pier and ships	326
April 21, 1930	Columbus, Ohio, State Penitentiary	320
Dec. 5, 1876	Brooklyn, N.Y., Conway's Theatre	283

Source: Compiled by the Insurance Information Institute.

LARGE-LOSS FIRES

The National Fire Protection Association estimates that in 1981, 2.9 million fires were attended by public fire service, and $6.7 billion in total property loss resulted from those fires. Large-loss fires of $1 million or more accounted for only 0.01 percent of the total fires but accounted for 12.3 percent of the overall dollar losses. About 29 percent of the large-loss fires reported to NFPA were of incendiary or suspicious origin, and accounted for 23.9 percent of the dollar loss from large-loss fires. There were 32 fires in 1981 which resulted in property losses of $5 million or more. Together, they caused damages—both insured and uninsured—of some $409.4 million.

U.S. Fires Causing Property Damage of $5 Million or More, 1981

Date	Place	Property Use	Estimated Loss
Nov. 28	Lynn, Mass.	Lynn conflagration	$ 70,000,000
Feb. 14	Louisville, Ky.	Sewage system	40,000,000
June 6	Saint Helena, Calif.	"Atlas fire," brush and dwellings	35,666,500
Dec. 13	Greenville, S.C.	Shopping mall	30,000,000
July 7	Corpus Christi, Tex.	Grain elevator	23,000,000
Oct. 12	Lynchburg, Va.	Furniture manufacturer	15,000,000
Mar. 19	Kernersville, N.C.	Textile plant	14,000,000
Mar. 18	Alden, N.Y.	Gasket manufacturer	13,000,000
Feb. 10	Las Vegas, Nev.	Hotel	12,900,000
Mar. 30	Tacoma, Wash.	Department store	12,000,000
Mar. 11	Los Angeles, Calif.	Electric equipment manufacturer	11,075,000
Jan. 16	Fort Worth, Tex.	Country club	10,000,000
Aug. 4	Bakersfield, Calif.	Military aircraft	10,000,000
June 26	Guntersville, Ala.	Poultry plant	9,300,000
Nov. 24	Long Beach, Calif.	Container ship	7,500,000
May 9	Akron, Ohio	Church	7,000,000
Feb. 14	Tyler, Tex.	High school	6,500,000
May 11	Redding, Calif.	Communications center	6,350,000
Feb. 17	Santa Anna, Calif.	Commercial aircraft	6,250,000
Jan. 20	Sacramento, Calif.	Office complex	6,000,000
June 20	Fairfield, Calif.	Dairy product manufacturer	6,000,000
July 10	San Francisco, Calif.	Vacant property	6,000,000
Nov. 28	Findlay, Ohio	Rubber products manufacturer	6,000,000
Sept. 29	Carrollton, Tex.	Paper manufacturer	5,500,000
Oct. 5	Elwood, Kans.	Pharmaceutical manufacturer	5,400,000
Mar. 20	Sanger, Calif.	Cold storage warehouse	5,000,000
June 6	Perrysburg, Ohio	Hardware storage	5,000,000
July 25	Stamford, Conn.	Office building	5,000,000
Aug. 9	Philadelphia, Pa.	Food manufacturer	5,000,000
Aug. 22	Rossville, Tenn.	Soft drink manufacturer	5,000,000
Nov. 4	Peru, Ind.	Foundry	5,000,000
Dec. 18	Lynn, Mass.	Plastic products manufacturer	5,000,000

Source: National Fire Protection Association.

Large-Loss Fires (continued)

The most costly fire in the United States was the San Francisco fire of 1906. The estimated loss from that fire in terms of 1982 dollars amounts to more than $3.5 billion.

The 12 Most Costly Fires in the U.S.

Date	Place	Property Destroyed	Estimated Loss
April 18, 1906	San Francisco, Calif.	28,000 buildings	$350,000,000
Oct. 8-10, 1871	Chicago, Ill.	17,340 buildings	175,000,000
Nov. 9, 1872	Boston, Mass.	776 buildings	75,000,000
Sept. 1, 1979	Deer Park, Texas	Tank ship	70,000,000
Nov. 28, 1981	Lynn, Mass.	31 buildings	70,000,000
Apr. 16 1947	Texas City, Texas	Waterfront industrial area	67,000,000
Feb. 27, 1975	New York, N.Y.	Telephone central office	56,500,000
Feb. 7, 1904	Baltimore, Md.	80 city blocks in business section	50,000,000
Aug. 12, 1953	Livonia, Mich.	Auto transmission plant	50,000,000
Dec. 5, 1970	Linden, N.J.	Oil refinery, nearby buildings	50,000,000
Jan. 20, 1980	Borger, Texas	Refinery	50,000,000
Nov. 21, 1980	Las Vegas, Nev.	Hotel	50,000,000

Source: Compiled by the Insurance Information Institute.

CIVIL DISORDERS

The rioting which exploded in Miami in May 1980 resulted in the most costly insured losses on record growing out of civil disorders. Of the 10 most costly civil disorders, all but the Miami violence and a disturbance in New York City, which occurred during a widespread power outage, occurred in the 1960s.

The 10 Most Costly U.S. Civil Disorders

Date	Locale	Estimated Insured Loss
May 17-19, 1980	Miami	$65,250,000
Aug. 11-17, 1965	Los Angeles (Watts Section)	44,000,000
July 23, 1967	Detroit	41,500,000
July 13-14, 1977	New York City	28,000,000
April 4-9, 1968	Washington, D.C.	24,000,000
July 12, 1967	Newark	15,000,000
April 6-9, 1968	Baltimore	14,000,000
April 4-11, 1968	Chicago	13,000,000
April 4-11, 1968	New York	4,200,000
April 4-11, 1968	Pittsburgh	2,000,000

Source: Compiled by the Insurance Information Institute.

THE CATASTROPHE RECORD, 1981

Insurers paid out more than $714 million in claims resulting from 33 catastrophes such as tornadoes, wind, hail, fires and hurricanes during 1981. The loss figure was 42 percent lower than the all-time high of $1.68 billion in 1979, and marked the first time in three years that losses dropped under $1 billion.

During the first six months of 1982, however, catastrophe losses leaped to $1.15 billion, a record high for any first-half period.

Property/casualty insurers have procedures that are put into effect in the wake of a catastrophe to facilitate the payment of claims and to help property owners restore order. Beginning in 1949, insurers classified as catastrophes incidents causing insured property losses in excess of $1 million. In 1982, this minimum figure was increased to $5 million.

The largest catastrophic loss of 1981 was the $201.5 million of property damage caused by wind, hail and tornadoes that swept through Texas, Oklahoma, Kansas and Louisiana. But the most costly single catastrophe involving property isn't included in the loss figures. The walkway collapse at the Hyatt Regency Hotel in Kansas City killed 114 people and injured 200. Insured property damage was slightly less than $1 million, but 334 lawsuits and other claims were filed seeking settlements from a pool of more than $300 million in insurance coverages.

The estimates listed below are based on data reported to the American Insurance Association and Insurance Services Office. They cover insured losses only, not total property damage.

The Catastrophe Record, 1981

Date	Place	Catastrophe	Estimated Loss Payments
[illegible]	Pennsylvania, New Jersey, New York, Connecticut, Rhode Island, Massachusetts, New Hampshire, Vermont, Maine	Wind, Snow, Freezing	$ 44,000,000
[illegible]	Texas, Alabama, Oklahoma, Georgia, North Carolina, Virginia	Wind, Hail, Tornadoes, Ice, Freezing	20,000,000
[illegible]	Las Vegas, Nev.	Fire (Hilton)	30,000,000
[illegible]	New Mexico, Texas, Alabama, Georgia, Florida	Wind, Hail, Tornadoes	5,000,000
[illegible]	Mississippi, Alabama, Georgia	Wind, Hail, Tornadoes, Flooding	4,500,000
[illegible]	Newport, Ky.	Explosion	2,000,000
[illegible]	Wisconsin, Iowa, Illinois, Nebraska, Kansas, Missouri, Indiana, Oklahoma, Arkansas, Texas	Wind, Hail, Tornadoes	23,663,000

The Catastrophe Record, 1981 (continued)

Date	Place	Catastrophe	Estimated Loss Payments
April 10-13	Iowa, Illinois, Missouri, Oklahoma, Texas, Kansas, Nebraska	Wind, Hail, Tornadoes	$ 27,780,000
April 19-20	Oklahoma	Wind, Hail, Tornadoes	15,083,500
April 22-25	Texas, Missouri	Wind, Hail, Tornadoes, Flooding	21,000,000
April 29-May 1	Oklahoma, Texas	Wind, Hail, Tornadoes	4,712,500
May 5-6	Texas, Alabama	Wind, Tornadoes, Flooding	12,000,000
May 7-10	Texas, Oklahoma, Kansas, Louisiana	Wind, Hail, Tornadoes, Flooding	201,546,780
May 13	Arkansas	Wind, Hail, Tornadoes	8,000,000
May 16-18	Texas, Oklahoma, Kansas, Louisiana	Wind, Hail, Tornadoes	8,000,000
May 22-25	Texas, Oklahoma, Missouri	Wind, Hail, Tornadoes	7,500,000
May 26	Kansas	Wind and Hail	4,000,000
June 1-2	Oklahoma, Colorado, Texas	Wind, Hail, Tornadoes	27,000,000
June 5	Texas	Wind, Tornadoes, Flooding	3,307,000
June 8-10	Illinois, Indiana, Ohio, Kentucky, Tennessee	Wind, Hail, Tornadoes, Flooding	14,250,000
June 12-18	Illinois, Indiana, Minnesota, Nebraska, Ohio, Texas, Kansas, Missouri	Wind, Hail, Tornadoes, Flooding	60,000,000
June 19-22	Illinois, Kansas, Kentucky	Wind, Hail, Tornadoes	22,785,000
June 23-25	Minnesota, Indiana, Pennsylvania, Maryland	Wind, Hail, Tornadoes	23,500,000
July 20-23	Missouri, Illinois	Wind, Tornadoes, Hail, Flooding	12,000,000
Aug. 6	Colorado, Kansas	Wind and Hail	14,000,000
Aug. 16-20	Florida, Georgia, North Carolina, South Carolina	Wind and Flooding	2,275,000
Aug. 22	Nebraska	Wind and Hail	2,000,000
Aug. 28	Oklahoma, Texas	Wind and Hail	2,500,000
Aug. 29-Sept. 1	Texas	Wind, Tornadoes, Flooding	8,880,000
Sept. 30-Oct. 1	Michigan	Wind, Flooding	4,000,000
Oct. 12-14	Texas, Oklahoma	Wind, Tornadoes, Flooding	12,500,000
Nov. 13-15	California, Washington, Oregon, Nevada	Wind	36,500,000
Nov. 28	Lynn, Mass.	Fire	30,000,000

Source: American Insurance Association.

EARTHQUAKES IN THE UNITED STATES

Although much of the nation's seismic activity is centered along the Pacific Coast and in Nevada, every state is vulnerable to and has felt the effects of earthquakes. The San Francisco earthquake-fire of April 18, 1906, nearly razed the city and took an estimated 500 lives. In the East, the greatest shock was experienced in Charleston, S.C., on Aug. 31, 1886, and resulted in 60 deaths and $23 million in property damage. Although insurance against earthquake damage is generally available, relatively few property owners have taken advantage of the protection it offers.

Only one major earthquake occurred in the United States in 1981. On April 26, an earthquake near Westmoreland, Calif., caused property damage estimated between $1 million and $3 million.

Property damage figures in the table below are given in dollar values for the years in which the earthquakes occurred. The National Oceanic and Atmospheric Administration said that in terms of 1979 dollar values, the 1964 Alaska earthquake and tsunami would show the largest magnitude by far ($1.02 billion), with San Fernando (1971) second and San Francisco (1906) third.

The 10 Most Costly U.S. Earthquakes

Year	Locality	Estimated Property Damage
1971	San Fernando, Calif.	$553,000,000
1964	Alaska and West Coast of United States (tsunami damage from earthquake near Anchorage, Alaska)	500,000,000
1952	Kern County, Calif.	60,000,000
1933	Long Beach, Calif.	40,000,000
1979	Imperial County, Calif.	30,000,000
1960	Hawaii and West Coast of United States (tsunami damage from earthquake off the coast of Chile)	25,500,000
1946	Hawaii (tsunami damage from earthquake in Aleutians)	25,000,000
1949	Puget Sound, Wash.	25,000,000
1906	San Francisco, Calif.	24,000,000*
1886	Charleston, S.C.	23,000,000

**The San Francisco catastrophe of 1906 also caused fire losses estimated at $350,000,000.*

Source: National Oceanic and Atmospheric Administration, U.S. Department of Commerce.

HURRICANES REACHING THE U.S.

"Dennis" was the only hurricane to hit the United States in 1981, resulting in no deaths and less than $3 million in insured losses. Hurricane Dennis was in the form of a tropical storm by the time it reached south Florida and dumped 20 inches of rain between Aug. 7 and 21. The National Oceanic and Atmospheric Administration estimated the total damage at approximately $25 million. In the last 25 years, 33 hurricanes have reached the continental United States, causing 1,243 deaths.

Hurricanes in the U.S. 1957-1981

Year	Hurricanes	Deaths*	Year	Hurricanes	Deaths*	Year	Hurricanes	Deaths*
[illegible]	1	395	[illegible]	2	54	[illegible]	1	1
[illegible]	0	2	[illegible]	1	18	[illegible]	1	21
[illegible]	3	24	[illegible]	1	9	[illegible]	1	9
[illegible]	2	65	[illegible]	2	256	[illegible]	1	0
[illegible]	1	46	[illegible]	1	11	[illegible]	0	35
[illegible]	0	4	[illegible]	3	8	[illegible]	3	22
[illegible]	1	11	[illegible]	1	121	[illegible]	1	2
[illegible]	4	49	[illegible]	0	5	[illegible]	1	0
[illegible]	1	75						

**Deaths include fatalities from high winds of less than hurricane force.*

Source: United States Department of Commerce—National Oceanic and Atmospheric Administration.

The 10 Most Costly Insured Hurricanes

Dates	Place	Hurricane	Estimated Insured Loss
[illegible]	Miss., Ala., Fla., La., Tenn., Ky., W. Va., Ohio, Pa., N.Y.	"Frederic"	$752,510,000
[illegible]	Fla., La., Miss.	"Betsy"	715,000,000*
[illegible]	Southeastern Texas	"Celia"	309,950,000*
[illegible]	La., Miss., Ala., Florida Panhandle	"Camille"	225,000,000*
[illegible]	N.Y., Conn., R.I., Mass., Maine, N.H., N.J.	"Carol"	129,700,000*
[illegible]	Fla., Ga., S.C., N.C., Va., Md., D.C., Del., Pa., N.J., N.Y., Conn., Mass., P.R., V.I.	"David"	122,070,000
[illegible]	S.C., N.C., Va., W.Va., D.C., Md., Del., N.J., Pa., N.Y.	"Hazel"	122,050,000*
[illegible]	Fla., Ala., Ga., Tenn., W.Va., Va., Md., Del., D.C., Pa., N.J., N.Y., Mass., Conn., R.I., P.R.	"Eloise"	119,188,500
[illegible]	Texas, La. Gulf Coast	"Carla"	100,000,000*
[illegible]	Fla., Ga., S.C., N.C., Va., W.Va., Ohio, Mich., Pa., Md., Del., D.C., N.J., N.Y., Conn., R.I., Mass., Maine, Vt.	"Agnes"	97,853,000* *

**Fixed property loss.*

***Hurricane Agnes caused extensive uninsured losses, largely as a result of heavy flooding. Total property damage is estimated by the National Oceanic and Atmospheric Administration at $3,097,800,000.*

Source: Compiled by Insurance Information Institute from American Insurance Association estimates.

TORNADOES IN THE UNITED STATES

In 1981, 772 tornadoes caused property damage in excess of $500 million and injured 792 people, according to the National Oceanic and Atmospheric Administration. The 24 deaths recorded for 1981 represented the lowest total since 1916.

During the last five years, 4,130 tornadoes have caused 232 deaths and 6,747 injuries. Thirty percent of the injuries and 25 percent of the deaths occurred in Texas.

Tornadoes in the United States, 1957-1981

Year	Tornadoes	Deaths	Year	Tornadoes	Deaths	Year	Tornadoes	Deaths
[illegible]	856	192	[illegible]	585	98	[illegible]	947	361
[illegible]	564	66	[illegible]	926	114	[illegible]	920	60
[illegible]	604	58	[illegible]	660	131	[illegible]	835	44
[illegible]	616	46	[illegible]	608	66	[illegible]	852	43
[illegible]	697	51	[illegible]	653	72	[illegible]	788	53
[illegible]	657	28	[illegible]	888	156	[illegible]	852	84
[illegible]	464	31	[illegible]	741	27	[illegible]	866	28
[illegible]	704	73	[illegible]	1,102	87	[illegible]	772	24
[illegible]	906	296						

Source: National Oceanic and Atmospheric Administration, U.S. Department of Commerce.

Five Year Totals, Tornadoes by State, 1977-1981

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Alabama	107	25	354	Montana	34	0	2
Alaska	0	0	0	Nebraska	187	5	215
Arizona	11	0	3	Nevada	4	0	0
Arkansas	139	5	223	New Hampshire	5	0	0
California	31	0	8	New Jersey	8	0	1
Colorado	137	0	51	New Mexico	35	0	3
Connecticut	1	3	500	New York	23	0	1
Delaware	5	0	6	North Carolina	79	3	43
District of Columbia	0	0	0	North Dakota	133	5	36
Florida	336	6	391	Ohio	104	4	198
Georgia	91	1	74	Oklahoma	227	14	281
Hawaii	1	0	0	Oregon	1	0	0
Idaho	6	0	2	Pennsylvania	76	1	194
Illinois	105	8	121	Rhode Island	0	0	0
Indiana	96	7	78	South Carolina	46	0	70
Iowa	181	13	204	South Dakota	159	1	17
Kansas	130	20	75	Tennessee	56	2	74
Kentucky	40	3	100	Texas	745	58	2,029
Louisiana	110	7	371	Utah	2	0	0
Maine	4	0	0	Vermont	0	0	0
Maryland	24	0	18	Virginia	39	2	36
Massachusetts	6	2	8	Washington	10	0	0
Michigan	95	6	185	West Virginia	18	0	28
Minnesota	121	6	187	Wisconsin	120	8	179
Mississippi	86	9	141	Wyoming	95	1	42
Missouri	77	6	197	Puerto Rico	2	0	0
				Countrywide Totals*	4,130	232	6,747

**Corrected for boundary-crossing tornadoes.*

Source: National Oceanic and Atmospheric Administration, U.S. Department of Commerce.

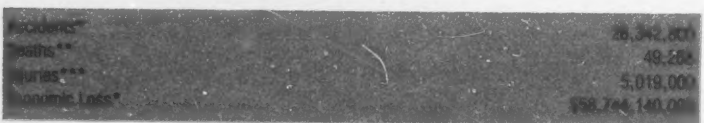
MOTOR VEHICLE ACCIDENTS

Traffic accidents in the U.S., on the average, killed one person every 10.7 minutes in 1981. A total of 62,666 motor vehicles were involved in fatal accidents which resulted in 49,268 deaths, according to the National Highway Traffic Safety Administration (NHTSA). The 1981 death toll was 3.6 percent lower than 1980, and the death rates per miles driven and per registrations were the lowest on record. About one-half of all fatal accidents in 1981 involved alcohol, according to NHTSA.

More than 5 million people were injured as a result of moving motor vehicle accidents in 1981, according to the National Center for Health Statistics (NCHS).

The economic loss for the more than 28 million accidents in 1981 amounted to an estimated $58.7 billion. This includes reported and unreported property damage, medical costs, lost productivity, and the costs of emergency services, legal and court costs, public assistance programs and insurance administration expenses.

Motor Vehicle Accidents, 1981



*I.I.I. estimates based on information from the National Safety Council and the National Highway Traffic Safety Administration.

**National Highway Traffic Safety Administration, Fatal Accident Reporting System (traffic fatalities that occur within 30 days of an accident).

***National Center for Health Statistics, National Health Survey.

Traffic Deaths*, 1940-1981

	Deaths*	Death Rate per 100 Million Vehicle Miles	Ratio of Deaths to Motor Vehicle Registration	Death Rate per 10,000 Registration
1940	32,914	10.89	1 to 992	10.08
1950	33,186	7.24	1 to 1,496	6.68
1960	36,399	5.06	1 to 2,046	4.89
1970	52,627	4.74	1 to 2,113	4.73
1975	44,525	3.35	1 to 3,096	3.23
1976	45,523	3.25	1 to 3,152	3.17
1977	47,878	3.26	1 to 3,076	3.25
1978	50,331	3.26	1 to 3,053	3.28
1979	51,093	3.34	1 to 3,124	3.20
1980	51,019	3.34	1 to 3,161	3.16
1981	49,268	3.17	1 to 3,335	3.00

*Traffic fatalities that occur within 30 days of an accident.

Source: National Highway Traffic Safety Administration. Data from 1975-1981 are from the Fatal Accident Reporting System, operated by NHTSA.

CLAIM COSTS, AUTO ACCIDENTS

The costs of insurance claim settlements and court awards resulting from auto accidents have risen steadily in recent years. From 1972 through 1981, the average paid bodily injury claim rose 131.2 percent from $1,926 to $4,453; the average paid property damage liability claim climbed approximately 150.4 percent from $355 to $889.

Countrywide Average Paid Claim Costs*
Liability Insurance, Private Passenger Cars

Year	Bodily Injury	Property Damage	Year	Bodily Injury	Property Damage
1972	$1,926	$355	1977	$2,690	$544
1973	2,125	375	1978	3,123	622
1974	2,472	397	1979	3,559	715
1975	2,646	445	1980	4,010	787
1976	2,593	490	1981	4,453	889

**For all limits combined, and including all loss adjustment expenses. Dollar averages exclude Massachusetts (for all years) and most states which have no-fault automobile insurance laws.*

NOTE: An apparent decline in 1976 in the amount of the average paid bodily injury claim is the result of an adjustment resulting from a change in the data base, and does not necessarily reflect an improvement in the claims experience. The revised data base has been applied to all claims figures for 1976 and succeeding years, but not to the figures for earlier years.

Source: Insurance Services Office.

ACCIDENTAL DEATHS

Accidents in the United States in 1981 took approximately 99,000 lives. The toll was down about 6 percent from the 1980 total.

Deaths were down for each class of accident, and reductions ranged from 3 to 9 percent.

Accidental Deaths, 1980-1981

	1981	1980	% Change
All Accidents	99,000	105,000	−6%
Motor Vehicle	50,800	52,600	−3%
Home	21,700	23,000	−6%
Work	12,300	13,000	−5%
Public (excluding motor vehicle)	16,200	17,000	−5%

NOTE: Death figures shown for the four separate classifications total more than the "All Accidents" figure due to rounding and because some deaths are included in more than one classification. Motor vehicle death totals differ from those reported by the National Highway Traffic Safety Administration (see page 58) because NHTSA counts only deaths that occur within 30 days of the accident.

Source: National Safety Council.

ACCIDENTS BY AGE OF DRIVERS

Compilations based on reports from state traffic authorities show that drivers under age 30 are involved in a disproportionately high number of traffic accidents. In 1981, drivers in that age group comprised 33.7 percent of the motoring population of the United States, but comprised 50.7 percent of the drivers involved in all accidents and 50.3 percent of the drivers in fatal accidents. The highest accident involvement rate (33 per 100 drivers) was that of drivers 20-24; the highest fatal accident involvement rate (78 per 100,000 drivers) was that of motorists in the 20-24 age bracket.

Accidents by Age of Drivers, 1981

Age Group	Number of Drivers	% of Total	Drivers in All Accidents	% of Total	Drivers in Fatal Accidents	% of Total	Accident Involvement Rate All*	Accident Involvement Rate Fatal**
Under 20	14,500,000	9.8	4,800,000	16.0	9,500	14.6	33	66
20-24	17,600,000	11.9	6,000,000	20.0	13,700	21.1	34	78
25-29	17,800,000	12.0	4,400,000	14.7	9,500	14.6	25	53
30-34	17,000,000	11.5	3,600,000	12.0	8,200	12.6	21	48
35-39	14,100,000	9.5	2,200,000	7.3	4,600	7.1	16	33
40-44	11,800,000	8.0	2,000,000	6.7	4,600	7.1	17	39
45-49	11,600,000	7.8	1,600,000	5.3	3,400	5.2	14	29
50-54	11,800,000	8.0	1,200,000	4.0	2,700	4.2	10	23
55-59	10,200,000	6.9	1,300,000	4.4	2,500	3.8	13	25
60-64	7,700,000	5.2	1,000,000	3.3	2,200	3.4	13	29
65-69	6,500,000	4.4	1,000,000	3.3	1,500	2.3	15	23
70-74	4,400,000	3.0	300,000	1.0	1,100	1.7	7	25
75 and over	3,000,000	2.0	600,000	2.0	1,500	2.3	20	50
Total	148,000,000	100.0	30,000,000	100.0	65,000	100.0	20	43

**Drivers in all accidents per 100 drivers in each age group.*

***Drivers in fatal accidents per 100,000 drivers in each age group.*

Source: National Safety Council

AUTOMOBILE REPAIR COSTS

The cost of repairing automobiles continues to climb because of steady increases in the costs of parts and labor. Buying all the replacements parts for a totally demolished subcompact car would cost about 3.8 times the original sticker price, according to a study by the Alliance of American Insurers. A popular 1982 foreign hatchback model with a retail price of $7,128 would cost $26,787 — and that excludes labor assembly costs. Rising insurance rates reflect the fact that coverages that pay for damage to the vehicle itself typically account for about two-thirds of the total cost of an insurance policy on a late-model car.

Automobile Repair Costs (continued)

A study of labor rates in key areas around the country indicates a range of $14.65 to $29.20 an hour in April 1982 and an average hourly rate of $17.72. The table below indicates changes in a seven-year period in the cost of replacing frequently damaged parts of the same popular model 1975 car.

Cost of Replacing Selected Parts, 1975 and 1982

	1975 Chevrolet Impala 4-door sedan damaged in:			
	April 1975		June 1982	
	Parts	Labor*	Parts	Labor**
Front Bumper Assembly	$196.68	$ 34.27	$ 512.86	$ 56.7
Radiator Grille Assembly	81.35	20.35	207.35	33.6
Hood Assembly	159.10	14.99	393.64	24.8
Front Fender Assembly (one side)	147.66	39.63	333.43	65.5
Total	$584.79	$109.24	$1,474.28	$180.7
Total Parts & Labor		$694.03		$1,623.0
				**$17.72 an hour

Sources: Parts costs, Motor Crash Estimating Guides, April 1975 and June 1982; labor costs, Allstate Insurance Company.

LOW-SPEED CRASH TESTS

In May 1982, the National Highway Traffic Safety Administration rolled back the federal bumper standard from a 5 mph no-damage standard to a 2.5 mph standard permitting unlimited bumper system damage but no body damage. The Insurance Institute for Highway Safety, which has conducted low-speed crash tests since 1969, said the 2.5 mph bumpers could be 75 percent weaker than the 5 mph bumpers in terms of their ability to prevent damage to cars.

A new series of IIHS low-speed crash tests of three pairs of 1981 and 1982 model vehicles illustrates the difference in damage costs permitted by 5 mph bumpers in comparison to 2.5 mph bumpers. One vehicle in each pair had bumpers meeting the 5 mph standard. The other vehicle in each pair was a similar model by the same manufacturer, equipped with bumpers that IIHS determined would meet a 2.5 mph no-damage barrier impact test. Such bumpers were legal because the vehicles so equipped were classified as trucks, or multi-purpose vehicles, exempt from the passenger car bumper standard. In four 5 mph tests, the 1982 AMC Spirit with 5 mph bumpers had a total repair damage of $115, while the 1982 AMC Eagle with 2.5 bumpers had a total repair damage of $926. When the AMC Eagle was tested in a 5 mph rear-into-pole

crash, the *front* windshield broke, contributing to the $417 damage for that test.

These and previous IIHS tests have shown wide variations in the property damage protection afforded by different bumper systems. The results have also shown that bumpers need not be heavy in order to better resist damage. The 1981 Ford Escort had one of the most effective bumper systems tested by IIHS — and one of the lightest.

Based on test results, IIHS predicts that the rollback will result in a dramatic increase in property damage losses. Insurers predict that purchasers of the 2.5 bumpers may pay up to 15 percent more for collision insurance and would pay more frequently the $100 collision coverage deductible.

Results of the IIHS crash tests comparing the 2.5 mph and 5 mph bumpers are shown in the accompanying chart.

Low-Speed Crash Test Results
5 MPH vs. 2.5 MPH Bumpers

ESTIMATED COST TO REPAIR*

1982 AMC Spirit: 5 mph Bumpers		**1982 AMC Eagle: 2.5 mph Bumpers**	
5 mph front-into-barrier	$ 0	5 mph front-into-barrier	$ 71
5 mph rear-into-barrier	$ 0	5 mph rear-into-barrier	$ 70
5 mph front-into-angle-barrier	$115	5 mph front-ratio-angle-barrier	$368
5 mph rear-into-pole	$ 0	5 mph rear-into-pole	$417
Total Damage	**$115**	**Total Damage**	**$926**
1981 Subaru 2-Door Hatchback: 5 mph Bumpers		**1981 Subaru 4-Wheel Drive: 2.5 mph Bumpers**	
5 mph front-into-barrier	$ 0	5 mph front-into-barrier	$154
5 mph rear-into-barrier	$ 0	5 mph rear-into-barrier	$ 67
5 mph front-into-angle-barrier	$183	5 mph front-into-angle-barrier	$448
5 mph rear-into-pole	$446	5 mph rear-into-pole	$802
Total Damage	**$629**	**Total Damage**	**$1,471**
1981 VW Rabbit: 5 mph Bumpers		**1981 VW Rabbit Pickup: 2.5 mph Bumpers**	
5 mph front-into-barrier	$ 0	5 mph front-into-barrier	$207
5 mph front-into-angle-barrier	$ 21	5 mph front-into-angle-barrier	$157
Total Damage	**$ 21**	**Total Damage**	**$364**

**All repair costs shown reflect September-October 1981 replacement parts prices.*

Source: Insurance Institute for Highway Safety.

AUTO COLLISION INSURANCE CLAIMS

The 1981 model year cars with the best collision coverage loss experience were either domestic 4-door models or station wagons, according to the Highway Loss Data Institute (HLDI). Those with the worst experience were all either regular 2-door models or sports or specialty models. Seven of the 10 cars on the "worst" list were imported.

HLDI has separated the results of high-volume cars from those of low-volume cars. The greater the exposure associated with a result, the more confidence one can place in it. Results are based on data provided by nine auto insurers.

Among the high-volume cars, the Ford Escort station wagon had the best collision loss experience with average loss payments per insured vehicle year that were 42 percent below the average result of all 1981 models. The Toyota Celica had the worst result among the high-volume cars—at 59 percent higher than the average. The car with the worst loss experience was the Chevrolet Corvette, a low-volume car which had a result more than three times the average.

The table below summarizes collision coverage results for each year following the introduction of 1981, 1980 and 1979 models. HLDI notes that the decline of collision claim frequencies with each new model year is offset by the increase in average loss payments with each model year.

The two tables on the next page list the cars with the best and worst collision insurance loss experience based on average loss payments per insured vehicle year. The figure 100 represents the average for all cars of the model year.

Collision Coverages
Loss Payment Summary by Model Year and Years Since Introduction, and by Car Size
1979, 1980, 1981 Model Year Passenger Cars

Years since introduction	Claim Frequency Per 100 Insured Vehicle Years			Average Loss Payment per Claim			Average Loss Payment Per Insured Vehicle Year		
	1981 Models	1980 Models	1979 Models	1981 Models	1980 Models	1979 Models	1981 Models	1980 Models	1979 Models
1st	9.2	9.8	10.2	$1,318	$1,216	$1,092	$121	$119	$111
2nd		9.5	9.7		1,231	1,121		117	109
3rd			8.6			1,172			101
All	9.2	9.6	9.2	$1,318	$1,227	$1,138	$121	$118	$105
	= 100	= 100	= 100	= 100	= 100	= 100	= 100	= 100	= 100
Car Size*									
Small Subcompact	104	107	105	102	101	104	107	108	110
Subcompact	102	106	104	105	105	109	107	111	113
Small Compact	87	89	96	90	94	101	79	84	96
Compact	102	97	103	97	97	95	99	94	98
Intermediate	89	88	90	96	98	94	86	86	84
Full Size	103	103	104	119	106	109	123	109	113

**All Years of availability are combined.*
Source: Highway Loss Data Institute.

Relative Average Loss Payments Per Insured Vehicle Year for 1981 Model Year Cars With the Best Collision Coverage Loss Experience

	Make & Series	Body Style	Car Size	Relative Average Loss Payment Per Insurance Vehicle Year 1981 Models 100 = $121	1980 Models 100 = $118	1979 Models 100 = $105
HIGH VOLUME (At least 1% of total exposure)	Ford Escort	Sta. Wgn.	SS	58		
	Buick Century	4-Door	C	64	64	73
	Buick Skylark	4-Door	SC	65	78	
	Chevrolet Citation	4-Door	SC	66	73	
	Oldsmobile Cutlass	4-Door	C	67	70	73
LOW VOLUME (Less than 1% of total exposure)	Oldsmobile Omega	4-Door	SC	48	69	
	Dodge Aries	Sta. Wgn.	S	50		
	Ford Fairmont	Sta. Wgn.	SC	50	71	71
	Plymouth Reliant	Sta. Wgn.	S	59		
	Chevrolet Caprice	Sta. Wgn.	I	59	69	66

Blanks indicate either insufficient exposure or no comparable series produced for that model year.
Source: Highway Loss Data Institute.

Relative Average Loss Payments Per Insured Vehicle Year for 1981 Model Year Cars With the Worst Collision Coverage Loss Experience

	Make & Series	Body Style	Car Size	Relative Average Loss Payment Per Insurance Vehicle Year 1981 Models 100 = $121	1980 Models 100 = $118	1979 Models 100 = $105
HIGH VOLUME (At least 1% of total exposure)	Toyota Celica	2-Door	S	159	136	124
	Chevrolet Camaro	Spec.	C	154	131	128
	Toyota Corolla	2-Door	SS	133	118	116
	Ford Mustang	2-Door	S	121	122	123
	Toyota Corolla Tercel	2-Door	S	108	108	
LOW VOLUME (Less than 1% of total exposure)	Chevrolet Corvette	Sports	S	306	243	201
	Datsun 280 ZX	Sports	SS	271	229	213
	BMW 320i	Spec.	S	251		
	Toyota Celica Supra	Spec	SC	249	174	204
	Mazda RX-7	Sports	SS	206	180	179

Blanks indicate either insufficient exposure or no comparable series produced for that model year.
Source: Highway Loss Data Institute.

AUTOMOBILE PERSONAL INJURY INSURANCE CLAIMS

Imported small subcompacts and subcompacts continue to have the "worst" record of personal injury claims in auto crashes, according to a 1981 study by the Highway Loss Data Institute (HLDI). American-made intermediates, especially 4-door models and station wagons, were shown to have the best overall record for fewest crash-related injury claims.

In a survey of medical claim frequencies for injuries to occupants of 1978-1980 model cars, the car with the poorest experience was the Dodge Challenger, a Japanese-built car, with an overall relative claim frequency rate 62 percent higher than the average. The Plymouth Arrow, another Japanese-built car, had the highest frequency of claims exceeding $250, and the Mazda RX-7 and Honda Civic station wagon had the highest frequency of claims exceeding $500.

Of the 17 cars with the worst loss experiences, all were either small subcompacts or subcompacts. The first six and a total of 14 were imported models.

All 19 cars with the best injury claims records were manufactured in the United States. There were no regular 2-door models on the list. Twelve of the cars were intermediate size and all but one were station wagons or regular 4-door models. The Oldsmobile Custom Cruiser and the Oldsmobile Toronado had the lowest overall claim frequency of 42 percent below average. They were followed by the Buick Estate, also an intermediate-size car, with an overall claim frequency of 38 percent below average.

The study results were based on "no-fault" personal injury protection experience in 19 states. Claim frequency results were calculated for all medical claims and also for medical claims exceeding $250, $500 and $1,000, using data provided by 10 insurers.

HLDI noted that the results clearly showed "a pattern of declining claim frequencies with increasing car size," although there were wide variations among cars in each size and body type group. Two-door models consistently had higher injury claim frequencies than 4-door models of the same size, HLDI said. In general, sports and specialty models had the highest claim frequencies and station wagons had the lowest. Unlike the results for other body style subgroups, sports and specialty models showed a consistent pattern of increasing relative claim frequencies associated with increasing claim size amounts.

Tabulations of claim frequencies involving certain 1978-1980 models are presented relative to the results for all vehicles combined.

1978-1980 Models With the Best Loss Experience
Relative Injury Claim Frequencies, Personal Injury Protection Coverages

Model Years	Make & Series	Body Style	Car* Size	All	Relative Claim Frequencies By Size of Claim** Over $250	Over $500	Over $1,000
1978-1980	Oldsmobile Custom Cruiser	Sta. Wgn.	I	58	58	57	
1979-1980	Oldsmobile Toronado	Spec.	I	58	61		
1978-1980	Buick Estate	Sta. Wgn.	I	62	52		
1978-1980	Oldsmobile Ninety-Eight	4-Door	I	62	70	74	75
1978-1980	Oldsmobile Cutlass	Sta. Wgn.	C	65	64	67	68
1980	Oldsmobile Omega	4-Door	SC	66			
1978-1980	Chevrolet Caprice	Sta. Wgn.	I	67	61	63	57
1978-1980	Pontiac Bonneville	Sta. Wgn.	I	67			
1978-1980	Oldsmobile Delta 88	4-Door	I	69	70	72	68
1978-1980	Pontiac Catalina	4-Door	I	69	75	78	
1978-1980	Buick LeSabre	4-Door	I	73	71	70	64
1979-1980	Mercury Marquis	4-Door	I	74	72	65	
1978-1980	Buick Century	Sta. Wgn.	C	76	59	57	
1978-1980	Chevrolet Malibu	Sta. Wgn.	C	78	70	67	64
1978-1980	Mercury Zephyr	Sta. Wgn.	SC	80	74	61	
1978-1980	Buick Century	4-Door	C	83	74	65	
1980	Chevrolet Citation	4-Door	SC	83	77	63	
1978-1980	Dodge Aspen	4-Door	I	84	75	70	64
1978-1980	Plymouth Volara	Sta. Wgn.	I	87	72	67	71

SC (Small Compact): Wheelbase 102-106 inches; C (Compact): Wheelbase 107-111 inches.; I (Intermediate): Wheelbase 112-120 inches.

** *Numbers reflect the frequency of claims for each model relative to the value 100 which represents the average for all models.*

Source: Highway Loss Data Institute.

1978-1980 Models With the Worst Loss Experience
Relative Injury Claim Frequencies, Personal Injury Protection Coverages

Model Years	Make & Series	Body Style	Car* Size	All	Relative Claim Frequencies By Size of Claim** Over $250	Over $500	Over $1,000
1978-1980	Dodge Challenger	2-Door	S	162			
1978-1980	Fiat Brava	**	S	156			
1980	Toyota Corolla Tercel	2-Door	S	153			
1980	Datsun 200SX	2-Door	SS	150			
1978-1980	Plymouth Sapporo	2-Door	S	149			
1978-1980	Plymouth Arrow	2-Door	SS	148	165		
1979-1980	Dodge Omni	2-Door	S	142	139	143	
1979-1980	Honda Prelude	2-Door	SS	140	146		
1978-1980	Mazda GLC	**	SS	139	142	133	139
1978-1980	Honda Civic	2-Door	SS	135	139	137	136
1978-1980	Datsun 210	**	SS	135	133	126	118
1979-1980	Plymouth Champ	2-Door	SS	134	132		
1979-1980	Mazda RX-7	Sports	SS	132	142	146	
1978-1980	Mercury Bobcat	2-Door	SS	131	125	107	
1980	Toyota Corolla	**	SS	130	129	126	
1979-1980	Ford Mustang	2-Door	S	128	130	133	121
1978-1980	Honda Civic	Sta. Wgn.	SS	119	130	146	

SS (Small Subcompact): Wheelbase up to 96 inches; S (Subcompact): Wheelbase 97-101 inches.

** *Body Style cannot be determined from Vehicle Identification Number.*

*** *Numbers reflect the frequency of claims for each model relative to the value 100 which represents the average for all models.*

Source: Highway Loss Data Institute.

INSURED AUTOMOBILE THEFT LOSSES

Car thieves continue to favor sports cars and specialty models, according to a report by the Highway Loss Data Institute (HLDI) on theft records for 1979, 1980 and 1981 passenger vehicles. Although they accounted for only 15 percent of the exposure for 1981 models, sports and specialty cars accounted for 51 percent of the total dollars paid out.

The study took into account the complete spectrum of theft losses occurring under comprehensive insurance coverages, ranging from the theft of items from the car to the theft of the car itself.

HLDI reported huge variations in the theft loss payment experience of different cars. The Chevrolet Corvette had the highest theft loss payments per insured vehicle year in all three model years. The 1981 model's theft losses were 400 times worse than the Plymouth Horizon 2-door, which had the best 1981 theft loss experience, along with the 4-door Pontiac Phoenix. Station wagons had the lowest theft losses, although larger cars generally had higher theft losses than similarly styled smaller cars.

The 1981 model with the highest theft claim frequency was the 1981 BMW 320, which was nine times worse than all 1981 cars combined. The 2-door Ford Escort had the lowest claim frequency — less than one-fourth the national average. The Cadillac Eldorado incurred the highest average loss payment of $4,000 per theft claim, contrasting sharply with the lowest loss payment per claim of less than $200 for the 4-door Pontiac Phoenix.

The table below reflects the findings by car size, relative to the results for all vehicles combined. The figure 100 represents the average for all passenger cars of each model year. Thus, a designation of 27 for a 1981 small compact station wagon means a result which is 73 percent better than the result of all 1981 passenger cars combined.

Loss Experience Summary by Vehicle Size and Model Year — Theft Losses

Car Size Group	Relative Claim Frequency 1981 Models	Relative Claim Frequency 1980 Models	Relative Average Loss Payment per Claim 1981 Models	Relative Average Loss Payment per Claim 1980 Models	Relative Average Loss Payment per Insured Vehicle Year 1981 Models	Relative Average Loss Payment per Insured Vehicle Year 1980 Models
Two-Door Models						
Small Subcompact	54	60	65	72	35	43
Subcompact	99	85	61	68	60	58
Small Compact	61	60	46	55	28	33
Compact	101	116	165	137	167	158
Intermediate	188	222	87	80	163	178

Insured Automobile Theft Losses (continued)

Car Size Group	Relative Claim Frequency 1981 Models	Relative Claim Frequency 1980 Models	Relative Average Loss Payment per Claim 1981 Models	Relative Average Loss Payment per Claim 1980 Models	Relative Average Loss Payment per Insured Vehicle Year 1981 Models	Relative Average Loss Payment per Insured Vehicle Year 1980 Models
Four-Door Models						
Small Subcompact	81	69	65	53	53	36
Subcompact	43	28	49	64	21	18
Small Compact	45	40	45	53	20	21
Compact	73	88	92	81	67	71
Intermediate	155	145	82	72	127	105
Station Wagons						
Small Subcompact	27	38	78	53	21	20
Subcompact	48	100	24	45	11	45
Compact	47	47	71	56	33	26
Intermediate	146	110	33	54	48	59
Sport & Specialty						
Small Subcompact	135	151	273	229	367	346
Subcompact	598	356	212	361	1,269	1,284
Small Compact	224	159	97	104	216	166
Compact	251	258	94	89	235	230
Intermediate	182	194	194	179	354	347
Full Size	183	174	225	237	411	411
Actual Value of 100 Base	14.4*	15.5*	$1,480	$1,118	$21.3	$17.3

**Frequencies of claims per 1,000 insured vehicle years.*

Source: Highway Loss Data Institute.

1981 Model Year Cars With the Lowest and Highest Relative Frequency of Theft Claims

	Make and Series	1981 Models	1980 Models	1979 Models
Lowest Frequency	Ford Escort – 2 Dr.	23		
	Plymouth Horizon – 2 Dr.	26	27	21
	Plymouth Horizon – 4 Dr.	27	23	14
	Chevrolet Citation – 4 Dr.	29	18	
	Chevolet Chevette – 4 Dr.	30	27	30
Highest Frequency	BMW 320i	895		
	Chevrolet Corvette	686	470	235
	Ford Thunderbird	590	292	179
	Ford LTD – 4 Dr.	392	186	103
	Mercury Marquis – 4 Dr.	391	201	123

Source: Highway Loss Data Institute.

INJURIES AND DEATHS AT WORK

The number of on-the-job fatalities in the United States declined for the second consecutive year in 1981. National Safety Council data reflect a 5.4 percent decline in fatalities and a 4.5 percent drop in work-related injuries.

The improved experience, combined with an increase in the employed labor force, resulted in reductions in both death and injury rates in the nation's workplace.

Work Fatalities and Injuries 1950-1981

Year	Employed Labor Force (Millions)	Fatalities	Fatalities Per 100,000 Workers	Injuries	Injuries Per 100,000 Workers
[illegible]	58.9	15,500	26.3	1,950,000	3,211
[illegible]	65.8	13,800	21.0	1,950,000	2,964
[illegible]	78.7	13,800	17.5	2,200,000	2,795
[illegible]	85.8	13,000	15.2	2,200,000	2,564
[illegible]	96.0	13,100	13.7	2,200,000	2,292
[illegible]	98.8	13,300	13.5	2,300,000	2,328
[illegible]	99.3	13,000	13.1	2,200,000	2,216
[illegible]	100.4	12,300	12.3	2,100,000	2,092

Source: Bureau of Labor Statistics; National Safety Council.

ECONOMIC LOSSES, WORK ACCIDENTS

Dollar losses resulting from accidents at work rose by about 8 percent in 1981 to reach a record $30.2 billion. While this economic loss figure has been rising steadily, the increase should be interpreted in terms of trends in the nation's economy. Specifically, the work force has increased steadily while the value of the dollar has just as steadily declined. Applying these factors in terms of a constant 1967 dollar, the cost of occupational accidents averaged $110.39 in 1981 as compared to $58.85 per worker in 1950.

The cost of work accidents includes wages lost and medical expenses, as well as indirect loss resulting from damage to equipment and materials, production delays, time lost by workers not involved in the accident, and the administrative costs of insurance.

Economic Losses* From Work Accidents 1950-1981

Year	Economic Loss	Cost Per Worker 1967 Dollars	Year	Economic Loss	Cost Per Worker 1967 Dollars
[illegible]	$ 2,500,000,000	$ 58.85	[illegible]	$21,200,000,000	$113.07
[illegible]	4,400,000,000	75.36	[illegible]	25,200,000,000	117.58
[illegible]	8,000,000,000	87.42	[illegible]	28,000,000,000	114.48
[illegible]	14,000,000,000	101.33	[illegible]	30,200,000,000	110.39

Figures do not include direct losses in business fires.

Source: National Safety Council; Bureau of Labor Statistics Consumer Prices.

CRIMES AGAINST PROPERTY

The dollar cost of crime continues to run into the billions. Data of the Federal Bureau of Investigation reflected no significant change in the overall crime index in 1981.

The FBI said the number of crimes against property, of which business and industry are major victims, decreased less than 1 percent in 1981. Dollar losses from the crimes of robbery, burglary, larceny and motor vehicle theft rose more than 7 percent to $9.7 billion, the FBI said.

But the overall cost of crime clearly is much higher when other kinds of offenses, including such costly crimes as embezzlement, arson and vandalism, are taken into account.

Late in 1980, the FBI released its first data on arson as a "Part I" crime. Its report included data only on confirmed arson or attempted arson and excluded fires of suspicious origin. The FBI said it received complete reports on 97,202 arson offenses in 1981, with dollar losses estimated at more than $914 million. (The National Fire Protection Association put the cost of incendiary and suspicious fires in 1981 at some $1.66 billion.)

While the total cost of embezzlement and other white-collar crimes is not readily measurable, the American Management Association's Crimes Against Business Project as long ago as 1977 estimated the cost of non-violent crimes by individuals against business at $30 billion to $40 billion a year.

Crimes against property reported by the FBI in 1981:

ROBBERY: 574,130 offenses; property loss $382 million.

BURGLARY: 3,739,800 offenses; property loss $3.5 billion.

LARCENY-THEFT: 7,154,500 offenses; property loss $2.4 billion.

MOTOR VEHICLE THEFT: 1,073,988 offenses; property loss $3.4 billion.

Crimes Against Property, 1972-1981

Year	Robbery	Burglary	Larceny-Theft
1972	376,290	2,375,500	4,151,200
1973	384,220	2,565,500	4,347,900
1974	442,400	3,039,200	5,262,500
1975	464,970	3,252,100	5,977,700
1976	420,210	3,089,800	6,270,800
1977	404,850	3,052,200	5,905,700
1978	417,040	3,104,500	5,983,400
1979	466,880	3,299,500	6,577,500
1980	548,810	3,759,200	7,112,700
1981	574,130	3,739,800	7,154,500

For additional data on automobile thefts, see page 71.

Source: Federal Bureau of Investigation.

MOTOR VEHICLE THEFTS

Motor vehicle thefts in the United States decreased about 4 percent in 1981. Decreases were recorded in 39 states and the District of Columbia. Countrywide, the ratio of vehicles stolen to vehicles registered improved from one of every 145 vehicles in 1980 to one of every 153 vehicles in 1981.

Motor Vehicle Registrations and Thefts 1972-1981

Year	Motor Vehicle Registrations*	Thefts*	Ratio of Vehicles Stolen/Regist.	Thefts per 100,000 Registrations
1972	122,421,440	882,200	1 in 139	721
1973	129,774,378	925,713	1 in 140	713
1974	134,904,676	977,068	1 in 138	724
1975	139,221,000	1,000,455	1 in 139	719
1976	142,397,000	957,599	1 in 149	673
1977	148,880,000	968,340	1 in 154	650
1978	153,637,000	991,611	1 in 155	646
1979	157,226,178	1,097,189	1 in 143	698
1980	161,614,294	1,114,651	1 in 145	690
1981	164,287,643	1,073,988	1 in 153	654

*Includes motorcycles.

Source: Federal Bureau of Investigation; Federal Highway Administration.

Motor Vehicle Thefts by States 1980-1981

	1981	1980	% Change		1981	1980	% Change
Alabama	11,129	12,210	- 8.9	Montana	2,221	2,514	-11.7
Alaska	2,845	2,469	+15.2	Nebraska	3,270	3,810	-14.2
Arizona	11,451	12,852	-10.9	Nevada	5,026	5,429	- 7.4
Arkansas	4,281	4,273	+ 0.2	New Hampshire	2,252	2,848	-20.9
California	162,557	174,834	- 7.0	New Jersey	50,573	53,563	- 5.6
Colorado	12,264	12,903	- 5.0	New Mexico	4,712	4,542	+ 3.7
Connecticut	18,873	21,014	-10.2	New York	136,849	133,041	+ 2.9
Delaware	2,572	2,707	- 5.0	North Carolina	11,788	12,631	- 6.7
District of Columbia	3,785	3,602	+ 5.1	North Dakota	1,084	1,169	- 7.3
Florida	45,712	45,682	+ 0.1	Ohio	45,777	45,945	- 0.4
Georgia	18,635	20,115	- 7.4	Oklahoma	12,957	12,610	+ 2.8
Hawaii	4,211	5,905	-28.7	Oregon	9,011	9,406	- 4.2
Idaho	2,055	2,235	- 8.1	Pennsylvania	43,799	49,465	-11.5
Illinois	56,116	56,652	- 0.9	Rhode Island	8,224	7,979	+ 3.1
Indiana	18,547	23,602	-21.4	South Carolina	8,720	9,379	- 7.0
Iowa	6,465	7,205	-10.3	South Dakota	987	1,160	-14.9
Kansas	6,073	6,398	- 5.1	Tennessee	15,400	16,505	- 6.7
Kentucky	8,603	9,131	- 5.8	Texas	83,506	79,088	+ 5.3
Louisiana	15,584	15,811	- 1.4	Utah	4,462	4,720	- 5.5
Maine	2,194	2,462	-10.9	Vermont	1,511	1,508	+ 0.2
Maryland	18,480	18,887	- 2.2	Virginia	10,956	12,130	- 9.7
Massachusetts	57,657	60,241	- 4.3	Washington	13,445	16,272	-17.4
Michigan	58,446	53,979	+ 8.3	West Virginia	3,675	3,855	- 4.7
Minnesota	10,300	12,016	-14.3	Wisconsin	10,292	11,479	-10.3
Mississippi	4,588	4,480	+ 2.4	Wyoming	1,433	1,619	-11.5
Missouri	18,835	20,319	- 7.3				

Source: Federal Bureau of Investigation.

AIRCRAFT ACCIDENTS

The large airlines in 1981 recorded their second consecutive year without a catastrophic loss. U.S. civil aviation accidents and rates generally increased in 1981, according to preliminary data from the National Transportation Safety Board, although most of the increases were slight.

The major airlines had 24 accidents during scheduled flights in 1981, compared to the record low of 15 accidents in 1980. Four single-fatality accidents spoiled what would have been a fatality-free year. Three of the accidents occurred on the ground and only one involved a passenger. The accident rate rose from 0.215 to 0.366 per 100,000 flight hours.

Accidents in general aviation—aircraft other than large airlines, commuters and air taxis—totaled 3,634, a 1 percent increase over the 1980 record low of 3,599. The 1981 total accident rate rose from 9.6 to 10.0 per 100,000 flight hours.

Commuter carriers and on-demand air taxis were categorized individually for the first time in 1981 because of deregulation and the proliferation of small, regional airlines. Commuter carrier accidents decreased from 37 to 28 in 1981, although the number of fatal accidents rose from seven to nine. On-demand air taxi accidents decreased from 164 to 138 in 1981, including 34 fatal accidents—both five-year lows for the category.

1981 Aircraft Accidents

	Aircraft Hours Flown	Accidents	Fatal Accidents	Fatalities	Accidents per 100,000 Flight Hours
Scheduled Airlines	6,560,000	24	4	4	0.366
Scheduled Commuter Carriers	1,082,000	28	9	35	2.59
Non-Scheduled Air Taxis	3,690,000	138	34	96	3.74
General Aviation	36,280,000	3,634	662	1,269	10.02

Accidents, Scheduled Airlines, 1977-1981

	Aircraft Hours Flown	Accidents	Fatal Accidents	Fatalities	Accidents per 100,000 Flight Hours
1977	5,800,843	21	3	78	0.362
1978	6,031,743	21	5	160	0.348
1979	6,700,322	24	4	351	0.358
1980	6,990,000	15	0	0	0.215
1981	6,560,000	24	4	4	0.366

Source: National Transportation Safety Board (1981 figures are preliminary estimates).

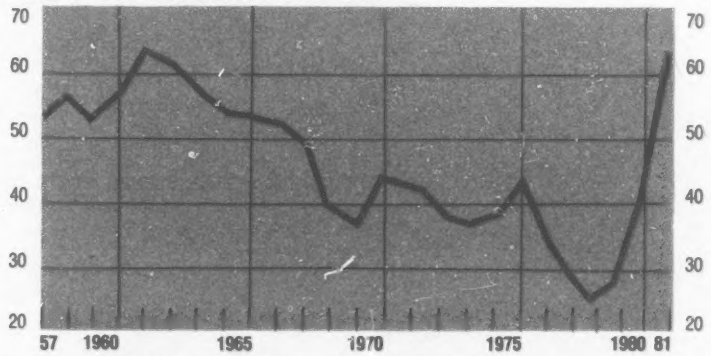
BUSINESS FAILURE TRENDS

The number of business failures in the United States rose by 45.1 percent in 1981, to 17,040 from 11,742 in 1980, according to preliminary estimates by Dun & Bradstreet. The number of failures was the largest since 1961. The failure rate increased from 42 to 62 per 10,000 businesses.

During the first nine months of 1981, the overall cost of business failures reached a record $4.81 billion. The average cost per failure in the same period was $392,347.

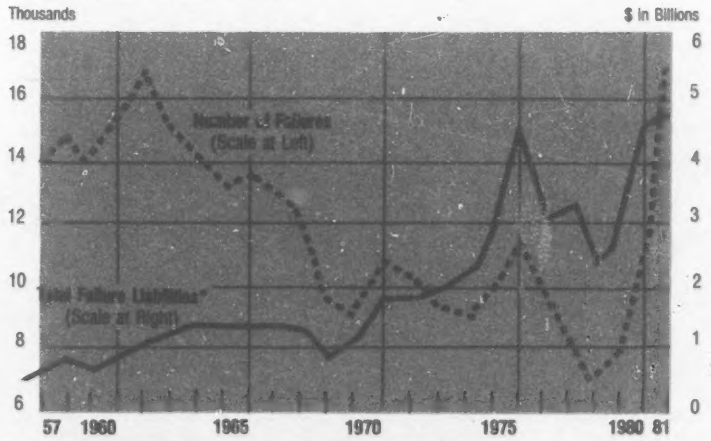
A spokesperson for Dun & Bradstreet attributed the substantial rise in business failures to a deepening of the recession, and prolonged slumps in such key industries as auto, construction, steel and lumber.

Failure Rate Per 10,000 Businesses 1957-1981



Source: Insurance Information Institute, based on data provided by Dun & Bradstreet, Inc.

Business Failure Trends 1957-1981



**Full years 1957 through 1980, first nine months in 1981.*

Source: Insurance Information Institute, based on data provided by Dun & Bradstreet, Inc.

HEALTH INSURANCE BENEFITS

Private insurance companies pay about 53 percent of the nation's billions of dollars of health insurance benefits. Private insurers paid some $37 billion in such benefits in 1980, the latest year for which such statistics were available. Blue Cross, Blue Shield and other hospital-medical plans paid about $33 billion. A review by the Health Insurance Association of America disclosed that in 1980 the average cost to hospitals per patient stay ranged from a low of $1,169.30 in Arkansas to highs of $3,188.90 in the District of Columbia and $2,590.70 in Massachusetts. The range on the basis of the average cost to hospitals of a day's stay was from $160.20 in Montana to $409 in Alaska.

Countrywide, the average cost to the hospital per patient day increased 13.1 percent from $217.10 in 1979 to $245.60 in 1980.

Health Insurance Benefits Paid
1980

	Paid by Insurance Co's. (in thousands)	Paid by Blue Cross, Blue Shield & Others (in thousands)	Average Cost to Hospital per Patient Day	Average Length Hospital Stay in Days	Average Cost to Hospital per Patient Stay
Alabama	$ 379,000	$ 456,000	$210.10	7.0	$1,470.70
Alaska	41,000	41,000	409.00	5.6	2,290.40
Arizona	344,000	157,000	290.60	7.0	2,034.20
Arkansas	168,000	184,000	185.60	6.3	1,169.30
California	3,134,000	3,827,000	362.60	6.6	2,393.20
Colorado	316,000	275,000	247.50	7.1	1,757.30
Connecticut	389,000	518,000	271.70	7.5	2,037.80
Delaware	79,000	147,000	238.20	8.2	1,953.20
District of Columbia	140,000	548,000	358.30	8.9	3,188.90
Florida	1,177,000	444,000	247.30	7.3	1,805.30
Georgia	666,000	322,000	217.60	6.3	1,370.90
Hawaii	48,000	280,000	245.80	7.5	1,843.50
Idaho	63,000	101,000	208.80	6.0	1,252.80
Illinois	1,935,000	1,276,000	277.60	7.9	2,193.00
Indiana	675,000	774,000	214.30	7.6	1,628.70
Iowa	292,000	411,000	199.30	7.4	1,474.80
Kansas	232,000	388,000	207.30	7.7	1,596.20
Kentucky	259,000	459,000	189.40	6.7	1,269.00
Louisiana	523,000	282,000	233.10	6.4	1,491.80
Maine	92,000	128,000	217.10	7.9	1,715.10
Maryland	394,000	579,000	251.20	8.5	2,135.20
Massachusetts	526,000	1,280,000	294.40	8.8	2,590.70
Michigan	1,227,000	2,437,000	267.00	7.8	2,082.60
Minnesota	472,000	351,000	203.10	9.0	1,827.90
Mississippi	252,000	119,000	174.80	6.7	1,171.20

Health Insurance Benefits Paid 1980 (continued)

	Paid by Insurance Co's. (in thousands)	Paid by Blue Cross, Blue Shield & Others (in thousands)	Average Cost to Hospital per Patient Day	Average Length Hospital Stay in Days	Average Cost to Hospital per Patient Stay
Missouri	$ 654,000	$ 650,000	$230.40	8.0	$1,843.20
Montana	73,000	81,000	160.20	8.3	1,329.70
Nebraska	178,000	193,000	194.70	7.9	1,538.10
Nevada	124,000	30,000	343.90	6.4	2,201.00
New Hampshire	76,000	112,000	203.20	7.1	1,442.70
New Jersey	753,000	1,025,000	212.60	8.7	1,849.60
New Mexico	125,000	65,000	263.70	5.9	1,555.80
New York	1,897,000	4,066,000	257.40	9.6	2,471.00
North Carolina	505,000	517,000	186.90	7.5	1,401.70
North Dakota	48,000	125,000	177.10	8.7	1,540.80
Ohio	1,396,000	2,149,000	241.40	7.9	1,907.10
Oklahoma	317,000	202,000	239.80	6.4	1,534.70
Oregon	219,000	451,000	277.40	6.0	1,664.40
Pennsylvania	910,000	2,686,000	234.90	8.3	1,949.70
Rhode Island	46,000	219,000	260.50	8.3	2,162.10
South Carolina	250,000	239,000	186.60	7.3	1,362.20
South Dakota	77,000	35,000	189.60	6.7	1,270.30
Tennessee	474,000	505,000	204.10	7.0	1,428.70
Texas	2,194,000	918,000	227.00	6.6	1,498.20
Utah	160,000	115,000	271.70	5.4	1,467.20
Vermont	34,000	76,000	183.40	8.0	1,467.20
Virginia	423,000	660,000	209.50	7.8	1,634.10
Washington	314,000	689,000	262.50	5.8	1,522.50
West Virginia	190,000	377,000	195.20	7.2	1,405.40
Wisconsin	473,000	792,000	218.20	8.1	1,767.40
Wyoming	51,000	48,000	242.80	4.9	1,189.70
Puerto Rico & U.S. Territories	81,000	150,000	—	—	—
Countrywide	$37,002,000*	$32,.959,000	$245.60	7.6	$1,866.60
1979 Totals	$31,692,000*	$27,697,000	$217.10	7.6	$1,650.00

**Includes 11.137 billion for 1980 and $5.674 billion for 1979 in Administrative Service Agreement benefit payments not allocated by state.*

Source: Health Insurance Association of America.

AUTOMOBILE FINANCIAL RESPONSIBILITY AND COMPULSORY LAWS

Most states have laws, commonly known as financial responsibility laws, under which a person involved in an automobile accident may be required to furnish proof of financial responsibility (usually done in the form of automobile liability insurance) up to certain minimum dollar limits. The provinces of Canada have similar laws. Mexico has no financial responsibility law as such, but requires an auto liability insurance policy written with a Mexican company.

More than half the states have laws requiring registered car owners to have liability insurance or, in some cases, some other approved form of security. These "compulsory" auto insurance laws are in effect in California, Colorado, Connecticut, Delaware, Georgia, Hawaii, Idaho, Kansas, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Minnesota, Montana, Nevada, New Jersey, New York, North Carolina, North Dakota, Oklahoma, Oregon, Pennsylvania, South Carolina, Texas, Utah, West Virginia and Wyoming. Florida requires its car owners to have first-party "personal injury protection" insurance.

Arizona and Indiana have enacted compulsory auto liability insurance laws effective Jan. 1, 1983. New Mexico has enacted a compulsory insurance law which takes effect in 1984.

Every state has either a financial responsibility law or a "compulsory" law. Many have both kinds of statutes. Even where ownership of automobile liability insurance is not compulsory, the existence of the financial responsibility laws, along with the ever-present threat of a financially crippling judgment in the event of an accident, has come to make the possession of automobile liability insurance a virtual necessity for most motorists.

Nevertheless, there are many motorists who are considered doubtful risks or whose poor driving records label them as obviously bad insurance risks. In all states, there are procedures through which such persons are able to obtain coverage. For additional information about these procedures, see "The Automobile Shared Market," page 34.

Automobile Financial Responsibility/Compulsory Limits

State	Liability Limits*
Alabama	10/20//5
Alaska	25/50/10
Arizona	15/30/10
Arkansas	25/50/15
California	15/30/5
Colorado	15/30/5
Connecticut	20/40/5
Delaware	10/20/5
District of Columbia	10/20/5
Florida	10/20/5
Georgia	10/20/5
Hawaii	25/unlimited/10
Idaho	10/20/5
Illinois	15/30/10
Indiana	25/50/10
Iowa	15/30/10
Kansas	25/50/10
Kentucky	10/20/5
Louisiana	5/10/1
Maine	20/40/10
Maryland	20/40/10
Massachusetts	10/20/5
Michigan	20/40/10
Minnesota	25/50/10
Mississippi	10/20/5
Missouri	25/50/10
Montana	25/50/5
Nebraska	15/30/10
Nevada	15/30/10
New Hampshire	25/50/25
New Jersey	15/30/5
New Mexico	15/30/5
New York	20/20/5[1]
North Carolina	25/50/10
North Dakota	25/50/10
Ohio	12.5/25/7.5
Oklahoma	10/20/10
Oregon	15/30/5
Pennsylvania	15/30/5
Rhode Island	25/50/10
South Carolina	15/30/5
South Dakota	15/30/10
Tennessee	10/20/5
Texas	10/20/5
Utah	20/40/10
Vermont	20/40/10
Virginia	25/50/10
Washington	25/50/10
West Virginia	20/40/10
Wisconsin	25/50/10
Wyoming	10/20/5
CANADA	
Alberta	$100,000 inclusive**
British Columbia	$100,000 inclusive**
Manitoba	$100,000 inclusive**
New Brunswick	$100,000 inclusive**
Newfoundland	$75,000 inclusive**
Northwest Territories	$50,000 inclusive**
Nova Scotia	$100,000 inclusive**
Ontario	$200,000 inclusive**
Prince Edward Island	$100,000 inclusive**
Quebec	$50,000 property damage[2]
Saskatchewan	$100,000 inclusive**
Yukon	$75,000 inclusive**

**The first two figures refer to bodily injury liability limits and the third figure to property damage liability. For example, 10/20/5 means coverage up to $20,000 for all persons injured in an accident, subject to a limit of $10,000 for one individual; and $5,000 coverage for property damage.*

***"Inclusive" means that the amount of liability insurance shown is available to settle either bodily injury or property damage claims—or both.*

[1]50/100 in cases of wrongful death.

[2]Quebec has a complete no-fault system for bodily injury claims, scaled down for non-residents in proportion to their degree of fault. The $50,000 limit relates to liability for damage to property in Quebec and to liability for bodily injury and property damage outside Quebec.

Sources: American Insurance Association; Insurance Bureau of Canada.

"NO-FAULT" AUTOMOBILE INSURANCE

A major change in the biggest single line of property and casualty insurance—automobile insurance—has been in the making since the early 1970s. Widespread dissatisfaction with the operation of the traditional tort liability system, under which recoveries by accident victims of their losses are often dependent upon proving who caused the accident, has led to the adoption of "first-party" laws by about half the states and consideration of similar action by most of the other states.

A number of states have enacted laws mandating the purchase of auto liability insurance and a form of "no-fault" insurance which permits accident victims to recover such financial losses as medical and hospital expenses and lost income from their own insurance companies. Most of those states also have some restrictions on the right to sue. Several other state laws make optional the purchase of "first party" coverages up to specified minimum limits.

Several proposals for federal "no-fault" legislation have been considered, but not adopted, by Congress.

Among the states which have adopted forms of "no-fault" auto insurance, the major variations involve: dollar limits on medical and hospital expenses (unlimited in some states), funeral and burial expenses, lost income and the amount to be paid a person hired to perform essential services that an injured non-income producer is unable to perform; also, conditions governing the right to sue which usually include death, serious injury and a point at which medical expenses reach a stipulated amount.

Jurisdictions which have forms of "first-party" auto insurance and the dates on which the laws originally became effective, follow.

Compulsory first-party/liability insurance; some restrictions on lawsuits

Colorado, April 1, 1974	Kansas, January 1, 1974	New Jersey, January 1, 1973
Connecticut, January 1, 1973	Kentucky, July 1, 1975	New York, February 1, 1974
District of Columbia, September 18, 1982	Massachusetts, January 1, 1971	North Dakota, January 1, 1976
Georgia, March 1, 1975	Michigan, October 1, 1973	Pennsylvania, July 19, 1975
Hawaii, September 1, 1974	Minnesota, January 1, 1975	Utah, January 1, 1974

Compulsory first-party, optional liability insurance; some restrictions on lawsuits

Florida, January 1, 1972	Puerto Rico, 1970

Compulsory first-party and liability insurance; no restrictions on lawsuits

Delaware, January 1, 1972	Maryland, January 1, 1973	Oregon, January 1, 1972

Compulsory liability, optional first-party insurance; no restrictions on lawsuits

South Carolina, October 1, 1974

Insurance not compulsory; first-party benefits optional, no restrictions on lawsuits

Arkansas, July 1, 1974	South Dakota, January 1, 1972	Virginia, January 1, 1972
New Hampshire, October 1, 1971	Texas, August 27, 1973	

THE REGULATION OF INSURANCE

The business of property and casualty insurance is subject to two powerful forms of control: a high intensity of competition among insurance companies and strict regulation state by state.

The degree of competition is reflected by the fact that in a field which is served by more than 2,900 companies, no single company or group has more than 8.7 percent of the property/casualty insurance market. The 10 largest companies combined have 37.7 percent of the market.

As a business which is inherently linked with the public interest, property and casualty insurance is closely regulated by designated authorities in every state and in other jurisdictions. Also, certain insurer activities are subject to regulation by federal agencies.

In essence, the basic charge to which the state regulatory authorities are committed is to assure the continued solvency of each company in order that it might be ready to discharge its obligation to policyholders, to ascertain that customers are neither overcharged nor unfairly discriminated against, and to regulate the business in a way that will encourage the companies to make essential insurance protection as readily available to the public as practicable.

The procedures for reviewing and effectuating property and casualty rates include, in many states, the requirement that rates be approved in advance by the regulator. In a number of other states, rate changes generally may be made without prior approval. In those states, rates are subject to the forces of competition among insurers and to subsequent review by the regulator to assure that they are not inadequate, excessive or unfairly discriminatory.

Greater reliance on price competition is the objective of a model rating law adopted in December 1980 by the National Association of Insurance Commissioners, the organization of state regulators. With some variations, the NAIC followed recommendations of an advisory committee, made up of insurance buyers and consumer representatives, as well as insurance people, which had been charged with studying the merits of competitive pricing. The committee pointed to "properly structured" price competition as "the most effective way to assure the availability of property/casualty insurance at costs that are fair, reasonable and not excessive."

The State Regulatory Authorities

Alabama: Tharpe Forrester, Commissioner of Insurance, 64 N. Union St., Montgomery, Ala. 36130-3401. Tel. 205-832-6140.

Alaska: Kenneth C. Moore, Director of Insurance, Pouch "D", Juneau, Alaska 99811. Tel. 907-465-2515.

Arizona: J. Michael Low, Director of Insurance, 1601 W. Jefferson, Phoenix, Ariz. 85007. Tel. 602-255-4862.

Arkansas: William H. L. Woodyard III, Insurance Commissioner, 400-18 University Tower Building, Little Rock, Ark. 72204. Tel. 501-371-1325.

California: Robert C. Quinn, Insurance Commissioner, 100 Van Ness Ave., San Francisco, Calif. 94102. Tel. 415-557-3245.

Colorado: J. Richard Barnes, Commissioner of Insurance, 106 State Office Building, Denver, Colo. 80203. Tel. 303-866-3201.

Connecticut: Joseph C. Mike, Insurance Commissioner, Room 425 State Office Bldg., Hartford, Conn. 06106. Tel. 203-566-5275.

Delaware: David Elliott, Insurance Commissioner, 21 The Green, Dover, Del. 19901. Tel. 302-736-4251.

District of Columbia: James R. Montgomery III, Acting Superintendent of Insurance, 614 H St., N.W., Suite 512, Washington, D.C. 20001. Tel. 202-727-1273.

Florida: Bill Gunter, Insurance Commissioner, State Capitol, Plaza Level 11, Tallahassee, Fla. 32301. Tel. 904-488-3440.

Georgia: Johnnie L. Caldwell, Insurance Commissioner, 238 State Capitol, Atlanta, Ga. 30334. Tel. 404-656-2056.

Guam: Jose R. Rivera, Insurance Commissioner, P.O. Box 2796, Agana, Guam 96910.

Hawaii: Susan Park, Director, Department of Regulatory Agencies, P.O. Box 541, Honolulu, Hawaii 96809. Tel. 808-548-7505.

Idaho: Trent M. Woods, Director of Insurance, 700 W. State St., Boise, Idaho 83720. Tel. 208-334-2250.

Illinois: James W. Schacht, Acting Director of Insurance, 320 W. Washington St., 4th Floor, Springfield, Ill. 62767. Tel. 217-782-4515.

Indiana: Donald H. Miller, Commissioner of Insurance, 509 State Office Building, Indianapolis, Ind. 46204. Tel. 317-232-2386.

Iowa: Bruce W. Foudree, Commissioner of Insurance, State Office Building, G23 Ground Floor, Des Moines, Iowa, 50319. Tel. 515-281-5705.

Kansas: Fletcher Bell, Commissioner of Insurance, 420 South West Ninth St., Topeka, Kan. 66612. Tel. 913-296-3071.

Kentucky: Daniel D. Briscoe, Insurance Commissioner, 151 Elkhorn Ct., Frankfort, Ky. 40601. Tel. 502-564-3630.

Louisiana: Sherman A. Bernard, Commissioner of Insurance, 950 North 5th St., P.O. Box 4424, Baton Rouge, La. 70801. Tel. 504-342-5328.

Maine: Theodore T. Briggs, Superintendent of Insurance, State House Station No. 34, Augusta, Maine 04333. Tel. 207-289-3101.

Maryland: Edward Muhl, Deputy Insurance Commissioner, One South Calvert Building, Baltimore, Md. 21202. Tel. 301-659-6300.

Massachusetts: Michael J. Sabbagh, Commissioner of Insurance, 100 Cambridge St., Boston, Mass. 02202. Tel. 617-727-3333.

Michigan: Nancy A. Baerwaldt, Commissioner of Insurance, 1048 Pierpont St., P.O. Box 30220, Lansing, Mich. 48909. Tel. 517-373-9273.

Minnesota: Thomas L. O'Malley, Temporary Commissioner of Insurance, 500 Metro Square Building, St. Paul, Minn. 55101. Tel. 612-296-6907.

Mississippi: George Dale, Commissioner of Insurance, 1804 Walter Sillers Building, P.O. Box 79, Jackson, Miss. 39205. Tel. 601-354-7711.

Missouri: C. Donald Ainsworth, Director of Insurance, 515 E. High St., P.O. Box 690, Jefferson City, Mo. 65102. Tel. 314-751-2451.

Montana: Norma E. Seiffert, Chief Deputy of Insurance, Mitchell Building, P.O. Box 4009, Helena, Mont. 59604. Tel. 406-449-2996.

Nebraska: Walter D. Weaver, Director of Insurance, 301 Centennial Mall South, P.O. Box 94699, Lincoln, Neb. 68509. Tel. 402-471-2201. Ext. 238

Nevada: Patsy Redmond, Insurance Commissioner, Nye Building, 201 South Fall St., Carson City, Nev. 89710. Tel. 702-885-4270.

New Hampshire: Frank E. Whaland, Insurance Commissioner, 169 Manchester St., Concord, N.H. 03301. Tel. 603-271-2261.

New Jersey: Joseph F. Murphy, Commissioner of Insurance, 201 East State St., Trenton, N.J. 08625. Tel. 609-292-5363.

New Mexico: Vicente Jasso, Superintendent of Insurance, P.O. Drawer 1269, Sante Fe, N.M. 87501. Tel. 505-827-2451.

New York: Albert B. Lewis, Superintendent of Insurance, Two World Trade Center, New York, N.Y. 10047. Tel. 212-488-4124.

North Carolina: John R. Ingram, Commissioner of Insurance, P.O. Box 26387, Raleigh, N.C. 27611. Tel. 919-733-7343.

North Dakota: J.O. Wigen, Commissioner of Insurance, Capitol Building, Fifth Floor, Bismarck, N.D. 58505. Tel. 701-224-2444.

Ohio: Robert H. Katz, Director of Insurance, 2100 Stella Court, Columbus, Ohio 43215. Tel. 614-466-2691.

Oklahoma: Gerald Grimes, Insurance Commissioner, 408 Will Rogers Memorial Building, Oklahoma City, Okla. 73105. Tel. 405-521-2828.

Oregon: Josephine M. Driscoll, Insurance Commissioner, 158 12th St., N.E., Salem, Ore. 97310. Tel. 503-378-4271.

Pennsylvania: Michael L. Browne, Commissioner of Insurance, 1326 Strawberry Square, Harrisburg, Pa. 17120. Tel. 717-787-5173.

Puerto Rico: Rolando Cruz, Commissioner of Insurance, Old San Juan Station, P.O. Box 3508, San Juan, P.R. 00904. Tel. 809-724-6565.

Rhode Island: Thomas J. Caldarone, Jr., Insurance Commissioner, 100 North Main St., Providence, R.I. 02903. Tel. 401-277-2223.

South Carolina: Rogers T. Smith, Insurance Commissioner, 2711 Middleburg Drive, P.O. Box 4067, Columbia, S.C. 29240. Tel. 803-758-3266.

South Dakota: Henry J. Lussem, Jr., Director of Insurance, Insurance Building, 320 N. Nicollet, Pierre, S.D. 57501. Tel. 605-773-3563.

Tennessee: John C. Neff, Commissioner of Insurance, 114 State Office Building, Nashville, Tenn. 37219. Tel. 615-741-2241.

Texas: Tom Bond, Commissioner of Insurance, 1110 San Jacinto Blvd., Austin, Texas 78786. Tel. 512-475-2273.

Utah: Roger C. Day, Commissioner of Insurance, 326 S. Fifth East, Salt Lake City, Utah 84102. Tel. 801-533-5611.

Vermont: George A. Chaffee, Commissioner of Insurance, State Office Building, 120 State St., Montpelier, Vt. 05602. Tel. 802-828-3301.

Virgin Islands: Henry A. Millin, Commissioner of Insurance, P.O. Box 450, Charlotte Amalie, St. Thomas, Virgin Islands 00801. Tel. 809-774-2991.

Virginia: James M. Thomson, Commissioner of Insurance, 700 Blanton Building, P.O. Box 1157, Richmond, Va. 23209. Tel. 804-766-3741.

Washington: Dick Marquardt, Insurance Commissioner, Insurance Building AQ21, Olympia, Wash. 98504. Tel. 206-753-7301.

West Virginia: Richard G. Shaw, Insurance Commissioner, 2100 Washington St., East, Charleston, W.Va. 25305. Tel. 304-348-3386.

Wisconsin: Ann J. Haney, Commissioner of Insurance, 123 W. Washington Ave., P.O. Box 7873, Madison, Wis. 53707. Tel. 608-266-3585.

Wyoming: John T. Langdon, Insurance Commissioner, 2424 Pioneer Ave., Cheyenne, Wyo. 82002. Tel. 307-777-7401.

DEFINITIONS

Insurance: A system under which individuals, businesses and other organizations or entities, in exchange for payment of a sum of money (a premium), are guaranteed compensation for losses resulting from certain perils under specified conditions.

Property Insurance: Insurance providing financial protection against the loss of, or damage to, real and personal property caused by such perils as fire, theft, windstorm, hail, explosion, riot, aircraft, motor vehicles, vandalism, malicious mischief, riot and civil commotion, and smoke.

Casualty Insurance: Insurance concerned primarily with the insured's legal liability for injuries to others or for damage to other persons' property; also encompasses such forms of insurance as plate glass, burglary, robbery and workers' compensation.

Liability Insurance: Insurance covering the policyholder's legal liability resulting from injuries to other persons or damage to their property.

Life Insurance: Insurance providing for payment of a specified amount on the insured's death, either to his or her estate or to a designated beneficiary; or in the case of an endowment policy, to the policyholder at a specified date.

Accident and Health Insurance: A type of coverage that pays benefits, sometimes including reimbursement for loss of income, in case of sickness, accidental injury or accidental death.

Actual Cash Value: The cost of repairing or replacing damaged property with other of like kind and quality in the same physical condition; commonly defined as replacement cost less depreciation.

Agent: The *independent agent* is an independent businessman who usually represents two or more insurance companies in a sales and service capacity and who is paid on a commission basis. The *exclusive agent* represents only one company, usually on a commission basis. The *direct writer* is the salaried or commissioned employee of a single company.

Aircraft Insurance: Covers property and liability losses arising from the ownership or operation of aircraft.

Allied Lines: A term for forms of insurance allied with property insurance, covering such perils as sprinkler leakage, water damage and earthquake.

Arson: The willful and malicious burning of, or attempt to burn, any structure or other property, often with criminal or fraudulent intent.

Assets: As applicable to insurance, all funds, property, goods, securities, rights of action or resources of any kind owned by an insurance company, less such items as are declared non-admissable for accounting purposes by state laws, including deferred or overdue premiums.

Automobile Insurance Plan: Formerly called and still sometimes referred to as "assigned risk" plan. A program to make automobile insurance available to persons who are unable to obtain such insurance in the voluntary market.

Automobile Liability Insurance: Protection for the insured against financial loss because of legal liability for car-related injuries to others or damage to their property.

Automobile Physical Damage Insurance: Coverge for damages or loss to automobile policyholder, resulting from collision, fire, theft, and other perils.

Boiler and Machinery Insurance: Coverage for loss arising out of the operation of pressure, mechanical and electrical equipment. It may cover loss of the boiler and machinery itself, damage to other property, and business interruption losses.

Broker: A marketing specialist who represents buyers of property and liability insurance and who deals with either agents or companies in arranging for the coverage required by the customer.

Burglary: Breaking and entering into another person's property with felonious intent.

Burglary and Theft Insurance: Protection for loss of property due to burglary, robbery or larceny.

Business Interruption Insurance: Protection for a business owner against losses resulting from a temporary shutdown because of fire or other insured peril. The insurance provides reimbursement for lost net profits and necessary continuing expenses.

Catastrophe: In insurance, a term applied to an incident or series of related incidents involving a loss of more than $5 million.

Claim: A demand to recover under an insurance policy for a loss covered by that policy.

Coinsurance: A provision in an insurance policy under which the insured agrees to carry a certain amount of insurance expressed as a percentage of the value of the property. It provides for the full payment, up to the amount of the policy, of all losses if the insurance carried is at least equal to the specified percentage. However, if the insured fails to carry the necessary amount of insurance, he or she assumes a proportionate share of the loss.

Collision Insurance: An automobile insurance coverage against damage to the policyholder's vehicle caused by collision with another car or object or by upset.

Combined Ratio: The sum of the ratio of losses incurred to premiums earned and the ratio of commissions and expenses incurred to premiums written.

Commercial Multiple Peril Policy: A package type of insurance for the commercial establishment that includes a wide range of essential coverages.

Commissioner: A state officer for administering the state's insurance laws and regulations. In some states, the regulator bears the title of director or superintendent of insurance.

Comprehensive Personal Liability Insurance: Protection for an insured against loss arising out of legal liability to pay money for damage or injury to others for which the insured is responsible. Does not include automobile liability or business operations.

Compulsory Insurance: Any form of insurance which is required by law.

Credit Insurance: A guarantee to manufacturers, wholesalers and service organizations that they will be paid for goods shipped or services rendered. Applies to that part of working capital which is represented by accounts receivable.

Crop-Hail Insurance: Protection against damage to growing crops as a result of hail or certain other named perils.

Deductible: An amount which a policyholder agrees to pay, per claim or per accident, toward the total amount of the insured loss. Insurance is written on this basis at reduced rates.

Dividend: (1) An amount returned to a policyholder by an insurance company out of its earnings. (2) In capital stock companies, a share of profits distributed to stockholders.

Earned Premiums: The portion of a premium which is the property of an insurance company, based on the expired portion of the policy period.

Earthquake: A trembling or shaking of the earth, often resulting in severe damage.

Economic Loss: The estimated total cost, both insured and uninsured, of mishaps (such as motor vehicle accidents, work accidents and fires). Includes such factors as property damage; medical, hospital and legal costs; funeral expenses; wage loss, and insurance administrative costs.

Extended Coverage Insurance: Protection for the insured against property damage caused by windstorm, hail, smoke, explosion, riot, riot attending a strike, civil commotion, vehicle and aircraft. This is provided in conjunction with the fire insurance policy and the various "package" policies.

FAIR Plan: A facility, operating under a government-insurance industry cooperative program, to make fire insurance and other forms of property insurance readily available to persons who have difficulty obtaining such coverage.

Farmowners-Ranchowners Policy: A package for a farm or a ranch, providing property and liability coverages against both personal and business losses.

Federal Crime Insurance: Insurance against burglary, larceny and robbery losses offered by the federal government where the Federal Insurance Administration has determined that such insurance is not otherwise available.

Fidelity Bond: A form of protection which reimburses an employer for losses caused by dishonest or fraudulent acts of employees.

Financial Responsibility Law: A law under which a person involved in an automobile accident may be required to furnish security up to certain minimum dollar limits. Each state has such a law.

Fire Insurance: Coverage for losses caused by fire and lightning, plus resultant damage caused by smoke and water.

Flood Insurance: Coverage against loss resulting from the flood peril.

General Liability Insurance: Coverage that pertains, for the most part, to claims arising out of the insured's liability for injuries or damage caused by ownership of property, manufacturing operations, contracting operations, sale or distribution of products, and the operation of elevators and the like, as well as professional services.

Glass Insurance: Protection for loss or damage to glass and its appurtenances.

Group Insurance: Any insurance plan under which a number of persons and their dependents are insured under a single policy, issued to their employer or to an association with which they are affiliated, with individual certificates given to each insured person.

Guaranty Fund: A fund, derived from assessments against solvent insurance companies, to absorb losses of claimants against insolvent companies.

Health Insurance: Insurance against financial losses resulting from sickness or accidental bodily injury.

Homeowners Policy: A package type of insurance for the home owner that includes coverages ranging from fire and extended coverage, theft and personal liability to "all risk" coverages.

Hurricane: A tropical storm with a wind velocity of 75 or more miles an hour.

Inland Marine Insurance: A broad form of insurance, generally covering articles that may be transported from one place to another as well as bridges, tunnels and other instrumentalities of transportation and communication. It includes goods in transit (generally excepting trans-ocean) as well as numerous "floater" policies such as those covering personal effects, personal property, jewelry, furs, fine arts and others.

Insurance Company: An organization chartered to operate as an insurer.

Insured: Person or organization covered by an insurance policy, including the "named insured" and any other parties for whom protection is provided under the policy terms.

Investment Income: The portion of a comany's income which is derived from its investments including interest and dividends on stocks and bonds.

Larceny-Theft: The unlawful taking, carrying, leading or riding away of another person's property.

Liability Limits: The stipulated sum or sums beyond which an insurance company is not liable to protect the insured.

Loss: The basis on which an insurance claim is submitted and/or paid.

Malpractice Insurance: Coverage for a professional practitioner, such as doctor or a lawyer, against liability claims resulting from alleged malpractice in the performance of the insured's services.

Marine Insurance: A form of insurance primarily concerned with instruments of transportation and communication, and with goods in transit. See also Inland Marine Insurance and Ocean Marine Insurance.

Medical Payments Insurance: A coverage, available in various liability insurance policies, in which the insurer agrees to reimburse the insured and others, without regard for the insured's liability, for medical or funeral expenses incurred as the result of bodily injury or death by accident under specified conditions.

Net Underwriting Profit or Loss: Statutory underwriting profit less (or loss plus) dividends to policyholders.

No-fault Automobile Insurance: A form of insurance by which a person's financial losses resulting from an automobile accident, such as medical and hospital expenses and loss of income, are paid by his or her own insurer without concern for who was at fault.

Ocean Marine Insurance: Coverage for sea-going vessels, including liabilities connected with them, and their cargoes.

Package Policy: A single insurance policy that includes several coverages.

Peril: The cause of a loss insured against in a policy.

Personal Lines: Those types of insurance, such as auto or home insurance, for individuals or families rather than for businesses or organizations.

Policyholder: A person who pays a premium to an insurance company in exchange for the insurance protection provided by a policy of insurance.

Policyholder's Surplus: Sum left after liabilities are deducted from assets. Sums such as paid-in capital and special voluntary reserves are also included in this term. This surplus is an additional financial protection to policyholders in the event a company suffers unexpected or catastrophic losses. In effect, it is the financial base that permits a company to sell insurance.

Pool: An organization of insurers or reinsurers through which particular types of risk are underwritten with premiums, losses and expenses shared in agreed-upon amounts.

Premium: The sum paid for an insurance policy. *Net premiums written* represent premium income retained by insurance companies, direct or through reinsurance, less payments made for business reinsured. *Direct written premiums* are the amounts actually paid by policyholders.

Premium Tax: A tax, imposed by each state, on gross income of insurers doing business in a state.

Product Liability Insurance: Protection against financial loss arising out of the legal liability incurred by a manufacturer, merchant or distributor because of injury or damage resulting from the use of a covered product, or out of the liability incurred by a contractor (as a result of improperly performed work) after he has completed a job.

Rate: The pricing factor upon which the insurance buyer's premium is based.

Regulation: Supervision of business practices by a governmental entity.

Reinsurance: Assumption by one insurance company of all or part of a risk undertaken by another insurance company.

Reserve: (1) An amount representing actual or potential liabilities kept by an insurer to cover obligations to policyholders. (2) An amount allocated for a special purpose. Note that a reserve is usually a liability and not an extra fund. On occasion a reserve may be an asset, such as a reserve for taxes not yet due.

Risk: The chance of loss. Also used to refer to the insured or to property covered by a policy.

Robbery: The taking of property from a person by force or by threat of violence.

State Fund: A fund set up by a state government to provide insurance. Some statutes permit, others exclude, competition by private insurers.

Statutory Underwriting Profit or Loss: Premiums earned less losses and expenses.

Surety Bond: An agreement providing for monetary compensation in the event of a failure to perform specified acts within a stated period. The surety company, for example, becomes responsible for fulfillment of a contract if the contractor defaults.

Surplus Lines: (1) A risk or a part of a risk for which there is no normal insurance market available. (2) Insurance written by non-admitted insurance companies.

Tornado: A whirling wind, accompanied by a funnel-shaped cloud, very violent and destructive in a narrow path, often for many miles over the land.

Tort: A wrongful act, resulting in injury or damage, on which a civil action may be based. Does not apply to a breech of contract.

Umbrella Liability: Covers losses in excess of amounts covered by other liability insurance policies; also protects the insured in many situations not covered by the usual liability policies.

Underwriting: The process of selecting risks for insurance and determining in what amounts and on what terms the insurance company will accept the risk.

Underwriting Profit or Loss: The amount of money which an insurance company gains or loses as a result of its underwriting operations. A net gain or loss on underwriting operations represents a company's statutory underwriting profit less (or loss plus) any amount it may pay to its policyholders in the form of dividends.

Unearned Premium: The portion of a premium that a company has collected but has yet to earn because the policy still has unexpired time to run.

Uninsured Motorist Protection: Covers the policyholders and family members if injured by a hit-and-run motorist or a driver who carries no liability insurance, assuming the other driver is at fault.

Workers' Compensation Insurance: A method of providing for the cost of medical care and weekly payments to injured employees or to dependents of those killed in industry, regardless of blame.

INSURANCE, SERVICE ORGANIZATIONS

The following are among the national organizations of or supported by insurance companies, or whose activities are closely related to insurance. National and state organizations which subscribe to the services of the Insurance Information Institute are identified by an asterisk(*).

Alliance of American Insurers, Paul S. Wise, president, 20 N. Wacker Dr., Chicago, Ill. 60606. Tel 312-558-3700. Trade association to facilitate cooperation among fire and casualty insurance companies in matters of concern to them and their policyholders.

All-Industry Research Advisory Council, Donald W. Segraves, executive director, 1200 Harger Rd., Suite 222, Oakbrook, Ill. 60521. Tel. 312-920-1177. Provides the public and the insurance industry with timely research information relevant to public policy issues affecting risk and insurance.

American Association of Insurance Services, Melvin H. DeYoung, president, 1035 S. York Rd., Bensenville, Ill. 60106. Tel. 312-595-3225. Rating, statistical and advisory organization for personal and commercial lines of insurance with membership composed principally of small and medium-size companies.

American Council of Life Insurance, Richard V. Minck, acting president, 1850 K St., N.W., Washington, D.C. 20006. Tel. 202-862-4000. Trade association responsible for the public relations, government, legislative and research aspects of the life insurance business.

American Institute of Marine Underwriters, Thomas A. Fain, president, 14 Wall St., New York, N.Y. 10005. Tel. 212-233-0550. Provides information of interest to marine underwriters, and promotes the interest of those underwriters.

American Institute for Property and Liability Underwriters, Inc., Edwin S. Overman, Ph.D., CPCU, president, Providence and Sugartown Rds., Malvern, Pa. 19355. Tel. 215-644-2100. Establishes educational standards for professional property and liability insurance underwriting; fosters training.

American Insurance Association, T. Lawrence Jones, president, 85 John St., New York, N.Y. 10038. Tel. 212-669-0400. Trade and service organization of the property and casualty insurance industry; provides a forum for the discussion of problems; provides safety, promotional and legislative services.

***American Nuclear Insurers,** Burt C. Proom, president, The Exchange, Suite 245, 270 Farmington Ave., Farmington, Conn. 06032. Tel. 203-677-7305. A nonprofit unincorporated association through which liability and property insurance protection is provided against hazards arising out of nuclear reactor installations and their operations.

American Prepaid Legal Services Institute, Alec M. Schwartz, executive director, 1155 E. 60th St., Chicago, Ill. 60637. Tel. 312-947-3661. National membership organization to provide information and technical assistance to lawyers, insurance companies, administators, marketers and consumers regarding group and prepaid legal service plans.

***Association of Fire and Casualty Companies in Texas,** John F. Knight, president, Republic Insurance Group, Box 223000, Dallas, Texas 75222. Tel. 214-559-1222. Represents domestic Texas property and liability insurance companies in seeking to broaden consumer knowledge of insurance and in supporting legislation to improve the insurance business.

***Automobile Insurance Plans Service Office,** Richard J. Decker, president, 733 Third Ave., New York, N.Y. 10017. Tel. 212-867-0500. Develops and files rates and provides other services for automobile insurance plans nationwide.

Casualty Actuarial Society, Frederick W. Kilbourne, president, One Penn Plaza, New York, N.Y. 10119. Tel. 212-560-1018(9). Promotes actuarial and statistical science in all insurance fields except life.

College of Insurance, Dr. Leslie Leonard, president, 123 William St., New York, N.Y. 10038. Tel. 212-962-0411. Insurance industry-supported college providing a complete curriculum leading to bachelor's and master's degrees in business administration and a bachelor of science degree in actuarial science.

Conference of Insurance Legislators, Charles Davis, executive director, 5225 N. Ironwood, Milwaukee, Wis. 53217. Tel. 414-332-0330. Organization of chairmen of state legislative committees concerned with insurance-related matters.

Crop-Hail Insurance Actuarial Association. E. Ray Fosse, manager/assistant secretary, 209 W. Jackson Blvd., Chicago, Ill. 60606. Tel. 312-922-7722. Rating and research organization and statistical agent for crop-hail insurance and rain insurance on public events, business ventures, and private proceedings.

Defense Research Institute, Inc., Donald J. Hirsch, research director, 733 N. Van Buren, Suite 650, Milwaukee, Wis. 53202. Tel. 414-272-5995. Service organization to improve the administration of justice and improve the skills of defense lawyers.

Federal Insurance Administration, Jeffrey S. Bragg, Federal Insurance Administrator, 500 C St., N.W., Washington, D.C. 20001. Tel. 202-287-0750. Administers the federal flood insurance, urban property insurance and crime insurance programs.

***Fire Prevention and Engineering Bureau of Texas,** J.E. Vaughn, manager, 1320 Mercantile Securities Building, Dallas, Tex. 75201. Tel. 214-747-0681. Performs risk inspections, prepares underwriting reports, inspects fire defenses of Texas cities for members and subscribers.

Foreign Credit Insurance Association, Robert A. Keenan, president, One World Trade Center, 9th Floor, New York, N.Y. 10048. Tel. 212-432-6200. Offers credit insurance facilities for U.S. exporters through cooperation of the insurance business and the Export-Import Bank of Washington.

Health Insurance Association of America, David Robins, vice president, administration and research, 919 Third Ave., New York, N.Y. 10022-9990. Tel. 212-486-5520. Central source of health insurance information of the public on behalf of insurance companies; monitors public attitudes and reactions to health insurance developments.

Health Insurance Association of America, Public Relations Division, Kenneth W. White, vice president, 1850 K St., N.W., Washington, D.C. 20006. Tel. 202-862-4000.

Highway Loss Data Institute, Dr. William Haddon Jr., president, Watergate Six Hundred, Suite 300, Washington, D.C. 20037. Tel. 202-333-6200. Nonprofit organization to gather, process and provide the public with insurance data concerned with human and economic losses resulting from highway accidents.

Independent Insurance Agents of America, Inc., Jeffrey M. Yates, executive vice president, 100 Church St., New York, N.Y. 10007. Tel. 212-285-4250. Trade association of independent insurance agents.

***Inland Marine Underwriters Association,** Thomas A. Fain, president, 14 Wall St., New York, N.Y. 10005. Tel. 212-233-7958. Forum for discussion of problems of common concern to inland marine insurers; makes recommendations dealing with forms and legislation.

Institute for Civil Justice, Gustave H. Shubert, director, 1700 Main St., Santa Monica, Cal. 90406. Tel. 213-393-0411. Organization formed within the Rand Corporation to perform independent, objective research and analysis concerning the civil justice system.

Insurance Accounting and Statistical Association, Walter R. Mason, secretary-treasurer, P.O. Box 8857, Durham, N.C. 27707. Tel. 919-683-2356. An international organization to promote the study, research and development of modern techniques in insurance accounting and statistics.

***Insurance Arbitration Forums Inc.,** Bernard L. Hines, Jr., executive director, 83 Maiden Lane, New York, N.Y. 10038. Tel. 212-269-2920. Industry-supported nonprofit organization to arbitrate intercompany disputes.

Insurance Committee for Arson Control, Joyce C. (Doss) Sauer, executive secretary, 85 John St., New York, N.Y. 10038. Tel. 212-669-0522. All-industry coalition; serves as a catalyst for the insurance industry's overall anti-arson efforts and a liaison with government agencies and other groups devoted to arson control.

Insurance Crime Prevention Institute, James F. Ahern, executive director, 15 Franklin St., Westport, Conn. 06880. Tel. 203-226-6347. Serves property and casualty insurers in the investigation of fraudulent insurance claims, other than accident, health and workers' compensation.

Insurance Information Institute, Mechlin D. Moore, president, 110 William St., New York, N.Y. 10038. Tel. 212-669-9200. An educational, fact-finding and communications organization for all lines of insurance except life and health insurance. It is supported by more than 225 insurance companies and provides services on a subscribership basis to many major industry organizations.

Insurance Institute for Highway Safety, Dr. William Haddon, Jr., president, Watergate Six Hundred, Suite 300, Washington, D.C. 20037. Tel. 202-333-0770. Traffic safety organization supported by automobile insurers.

Insurance Institute for Research, John W. Folk, president, 222 Mamaroneck Ave., White Plains, N.Y. 10605. Tel. 914-682-0800. An industry-sponsored institute serving as the focal point for improving electronic communications capabilities in the insurance agency system.

Insurance Institute of America, Inc., Edwin S. Overman, Ph.D., CPCU, president, Providence and Sugartown Rds., Malvern, Pa. 19355. Tel. 215-644-2100. Provides educational opportunities in property and liability insurance and related fields; provides standards for measurement of achievement; conducts research.

Insurance Library Association of Boston, Maurice H. Saval, president, 156 State St., Boston, Mass. 02109. Tel. 617-227-2087. A nonprofit, independent membership library serving the research and education interests of all branches of the insurance industry.

***Insurance Services Office,** Daniel J. McNamara, president, 160 Water St., New York, N.Y. 10038. Tel. 212-487-5000. Provides a wide range of advisory, rating, actuarial, statistical and other services relating to property and casualty insurance, including the development of policy forms, rates, premiums and related services for multiple line coverages. Offers services, including research studies, to insurers or other persons or organizations.

***Kansas Association of Property and Casualty Insurance Companies,** L.M. Cornish, secretary-treasurer, 900 Merchants Tower, 8th and Jackson Streets, Topeka, Kan. 66612. Tel. 913-232-0545. Organization representing 17 domestic insurance companies in Kansas.

Kansas Insurance Education Foundation, Dr. John Graham, chairman of the board of trustees, 900 Merchants Tower, Topeka, Kan. 66612. Tel. 913-537-2261. Nonprofit corporation devoted to promotion and encouragement of insurance education in Kansas. Develops teaching aids, supports insurance education at the university level and prepares and distributes consumer information.

***Metropolitan Chicago Loss Bureau,** Don Mershon, manager, 343 S. Dearborn, Suite 1400, Chicago, Ill. 60604. Tel. 312-322-2500. Assists insurance companies with property claims adjustment and arson and fraud claims investigation.

National Association of Casualty and Surety Agents, Bruce T. Wallace, executive vice president, 5454 Wisconsin Ave., Suite 1625, Chevy Chase, Md. 20815. Tel. 301-986-4166. A trade organization dedicated to safeguarding the public interest, preserving a competitive market, and working with others for the good of the insurance business and the public.

National Association of Casualty and Surety Executives, Lawrence M. Zippin, executive secretary, 85 John St., New York, N.Y. 10038. Tel. 212-669-0400. Organization to provide insurance companies and agents with a forum for discussion of industry problems relating to the public's interest.

National Association of Health Underwriters, John K. Pardee, CAE, RHU, executive vice president, 145 North Ave., Hartland, Wis. 53029. Tel. 414-367-3248. Professional association of persons engaged in the sale and service of disability income and hospitalization and major medical health insurance.

National Association of Independent Insurers, Lowell R. Beck, president, 2600 River Rd., Des Plaines, Ill. 60018. Tel. 312-297-7800. Trade association of fire, casualty and surety insurers.

National Association of Insurance Brokers, Inc., Donald L. Jordan, executive director, 311 First St., N.W., Suite 700, Washington, D.C. 20001. Tel. 202-783-8880. Trade association of commercial insurance brokers.

National Association of Insurance Commissioners, E. Benjamin Nelson, executive secretary, 350 Bishops Way, Brookfield, Wis. 53005. Tel. 414-784-9540. Organization of state insurance commissioners to promote uniformity in state supervision of insurance matters, and to recommend legislation in the various state legislatures.

National Association of Insurance Women, Mary Lynn Claiborne, executive director, 1847 E. 15th St., P.O. Box 4410, Tulsa, Okla. 74104. Tel. 918-744-5195. Fosters educational programs for members. Promotes public safety and service programs.

National Association of Mutual Insurance Companies, Harold H. Walters, president, 3707 Woodview Trace, P.O. Box 68700, Indianapolis, Ind. 46268. Tel. 317-875-5250. Trade association of property and casualty mutual insurance companies.

National Association of Professional Surplus Lines Offices, Ltd., J. Dale Bohm, executive director, P.O. Box 1507, Roswell, Ga. 30077. Tel. 404-998-9075. Professional association of wholesale brokers, excess and surplus lines companies, affiliates and supporting members.

National Association of Surety Bond Producers, Bruce T. Wallace, executive vice president, 5454 Wisconsin Ave, Chevy Chase, Md. 20815. Tel. 301-986-4166. Trade association of surety bond producers.

National Automobile Theft Bureau, Paul W. Gilliland, president, 10330 S. Roberts Rd. 3A, Palos Hills, Ill. 60465. Tel. 312-430-2430. Conducts stolen vehicle recovery and auto theft prevention activities on behalf of the insurance industry.

National Committee on Insurance Guaranty Funds, Phillip Schwartz, executive secretary, 85 John St., New York, N.Y. 10038. Tel. 212-669-0400. Advisory organization to the state guaranty fund boards; gathers and disseminates information regarding insurer insolvencies.

***National Committee on Property Insurance,** Eugene L. Lecomte, president, 55 Court St., Suite 210, Boston, Mass. 02108. Tel. 617-367-5912. Provides advice and assistance to insurers writing property coverages in distressed or residual insurance markets.

***National Council on Compensation Insurance,** Kevin M. Ryan, president, One Penn Plaza, New York, N.Y. 10119. Tel. 212-560-1000. Develops and administers rating plans and systems for workers' compensation insurance.

***National Crop Insurance Association,** George A. Bender, executive vice president/general manager, 2860 S. Circle Dr., South Building, Suite 322, Colorado Springs, Colo. 80906. Tel. 303-576-5111. National trade association of insurance companies writing hail, fire and other weather perils to growing crops.

National Fire Protection Association, Robert W. Grant, president, Batterymarch Park, Quincy, Mass. 02269. Tel. 617-328-9290. Independent, nonprofit source of technical and educational information on fire protection, prevention and suppression; develops and publishes consensus fire safety standards; sponsors national Learn Not to Burn campaign.

National Safety Council, Vincent L. Tofany, president, 444 N. Michigan Ave., Chicago, Ill. 60611. Tel. 312-527-4800. Provides national support and leadership in the field of safety; publishes safety materials of all kinds; conducts a public information and publicity program in support of safety.

Overseas Private Investment Corporation, Craig A. Nalen, president, 1129 20th St., N.W., Washington, D.C. 20527. Tel. 202-653-2920. Self-sustaining U.S. Government agency providing political risk insurance and finance services for U.S. investments in developing countries.

***Pennsylvania FAIR Plan,** Jack W. Gilberg, general manager, Mall Building, Suite 600, 325 Chestnut St., Philadelphia, Pa. 19106. Tel. 215-629-8800. Provides insurance for property owners in Pennsylvania having difficulty getting property coverages through traditional channels.

Professional Insurance Agents, Trevor A. White, executive vice president, 400 N. Washington St., Alexandria, Va. 22314. Tel. 703-836-9340. Trade association of independent insurance agents.

Property-Casualty Insurance Council, Robert B. Wilcox, president. One 1st National Plaza, Suite 2730, Chicago, Ill. 60603. Tel. 312-236-7124. Organization of property and casualty insurance associations and companies to provide a forum for discussion of major issues and to facilitate coordination and cooperation in dealing with those issues, and to develop and recommend programs in research and in consumer and legislative information.

Property Insurance Loss Register, Gerald F. Murphy, vice president, 700 New Brunswick Ave., Rahway, N.J. 07065. Tel. 201-388-0157. A voluntary, nonprofit organization administered by the American Insurance Association; maintains a computerized registry of property loss claims which can be used by its subscribers to fight insurance fraud, and provides data for non-actuarial/statistical research.

***Property Insurance Plans Service Office,** Eugene L. Lecomte, president, 55 Court St., Suite 210, Boston, Mass. 02108. Tel. 617-367-5912. Provides technical and administrative services to the various state property insurance plans.

Reinsurance Association of America, Franklin W. Nutter, president, 1025 Connecticut Ave., N.W., Suite 512, Washington, D.C. 20036. Tel. 202-293-3335. Trade association of property and casualty reinsurers; provides legislative services for members.

Risk and Insurance Management Society, Inc., Ron E. Judd, executive director, 205 E. 42nd St., New York, N.Y. 10017. Tel. 212-286-9292. Organization of corporate buyers of insurance which makes known to insurers the insurance needs of business and industry, and which supports loss prevention and provides a forum for the discussion of common objectives and problems.

Society of Certified Insurance Counselors, William T. Hold, Ph.D., CIC, CPCU, CLU, president, 3630-C North Hills Dr., Austin, Tex. 78731. Tel. 512-345-7932. National education program in property, liability and life insurance, with a continuing education requirement upon designation.

***Society of Chartered Property and Casualty Underwriters,** James W. Hamilton, CPCU, executive vice president, Kahler Hall, Providence Rd. (CB No. 9), Malvern, Pa. 19355. Tel. 215-648-0440. Professional society to foster the higher education of those engaged in insurance and risk management; encourages and conducts research.

Society of Insurance Research, J. Wesley Ooms, president, Box 933, Appleton, Wis. 54912. Stimulates insurance research and fosters exchanges among society members on research methodology.

***Surety Association of America,** Lloyd Provost, general manager, 100 Wood Ave., S. (Metro-Park), Iselin, N.J. 08830. Tel. 201-494-7600. Statistical, rating, development and advisory organization and forum for surety companies.

***Texas Automobile Insurance Plan,** Bobby White, manager, 404 Brown Building, Austin, Tex. 78701. Tel. 512-477-5322. Provides market for drivers unable to obtain liability insurance through commercial channels.

***Texas Automobile Insurance Service Office,** James F. Devereux, general manager, Suite 130, One La Costa, 1016 La Posada Dr., Austin, Tex. 78752. Tel. 512-458-6347. Insurers' organization licensed to advise the State Insurance Board on auto forms, rates, rating procedures, classifications and coverages.

***Texas Catastrophe Property Insurance Association,** James A. Douglass, manager, P.O. Box 2930, Austin, Tex. 78769. Tel. 512-444-9611. Established by state legislature to provide back-up source for windstorm insurance in high-risk areas (14 coastal countries).

***Texas Insurance Advisory Association,** Tom B. Lee, general manager, P.O. Box 15, Austin, Tex. 78782. Tel. 512-444-9611. Insurers' organization to advise the State Insurance Board on property forms, rates, rating procedures and coverages.

***Texas Medical Liability Insurance Underwriting Association,** James A. Johnston, CPCU, general manager, 200 One La Costa, 1016 La Posada Dr., Austin, Tex. 78752. Tel. 512-452-4370. Established by legislature to provide source for medical malpractice insurance.

***Texas Workers' Compensation Assigned Risk Pool,** James A. Johnston, CPCU, general manager, 200 One La Costa, 1016 La Posada Dr., Austin, Tex. 78752. Tel. 512-458-9181. Provides workers' compensation insurance when unavailable through commercial channels.

Underwriters' Laboratories, Inc., Jack Bono, president, 333 Pfingsten Rd., Northbrook, Ill. 60062. Tel. 312-272-8800. Investigates and tests electrical materials and other products to determine that fire prevention and protection standards are being met.

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***Washington Insurance Council,** Ralph Jones, president, 1218 Third Ave., Seattle, Wash. 98101. 206-624-3927. Provides education and information services to the public and to insurance companies, producer organizations and other professional insurance groups.

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